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NEWSPAPER

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Language of menu undergoes changes

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Nation's
Restaurant News®

The Weekly Newspaper of the Food-Service Industry

Vol. 23, No. 32 — Published every Monday by Lebhar-Friedman Inc.; $3 a copy, $29.50 a year — August 7, 1989

THE NRN TOP 100

Big chains battle for market share

By Peter Romeo

Despite the wholesale theft of business from smaller players, a sobering number of the nation's leading restaurant chains are reeling from declines in traffic, systemwide sales, and unit tallies, according to Nation's Restaurant News' Top 100.

The study, which ranks industry pacesetters by a variety of criteria, shows that 13 of the 100 highest-grossing chains are suffering declines in average revenue per restaurant — a key measure of a system's health. The losers include such well-respected operators as Marriott, Bob Evans Farms, Ponderosa, and Popeyes.

Four others are experiencing no gain in per-store sales, and 40 additional chains — including Kentucky Fried Chicken, Dunkin' Donuts, and Domino's — are failing to boost unit sales averages at a clip exceeding the rate of menu-price inflation. Many, if not most, are clearly beset by a drop in customer traffic.

It's not surprising that eight of the Top 100 chains are being battered by systemwide sales declines. And the collective sales of all 100 systems are projected to grow by 8.5 percent this year, marking a slowdown from the 8.7-percent gait clocked in '88.

"We definitely will have some chain failures in the next few years," comments George Rice, chairman of the food-service consulting firm GDR Enterprises.

"There's a continuation of growth in supply coupled with very little growth in demand," observes Ron Paul, president of the Technomic research house in Chicago. "There's slower population growth, and the whole aging thing is taking its toll on dining out. And the Couch Potato syndrome is certainly having an effect."

"It's been a tough couple of years," said Bill Ingram, president of White Castle, whose per-unit averages are project-

*(See **TOP 100**, page F85)*

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Burger giants square off for 'kill-or-be-killed' market share fracas **F36**

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Hotel food-service departments usher in the Year of the Promotion **F59**

Pizza Hut closes gap on McD, BK

KFC, Hardee's bypassed by surging pizza chain

By Peter Romeo

Although McDonald's continues to pummel other Top 100 heavyweights with a fury that Mike Tyson would envy, the 1989 sales rankings show that a scrappy bruiser is emerging in fierce preliminary bouts as a powerful potential challenger.

Pepsico's Pizza Hut chain has already decked enough competitors to score the major upset in NRN's Top 100 systemwide-sales ranking for 1989. The segment-leading pizza maker leaped two places in the standings to seize the No. 3 berth, hoisted by a projected $300 million jump in chainwide sales.

"We've added quite a few points of distribution, and we've had some very strong increases in PSAs [per-store averages]," says Pizza Hut president Steve Reinemund. "We've had 24 months of growth in both those areas."

The system's per-unit sales average is expected to jump 10 percent in 1989, compared with McDonald's projected increase of 6.7 percent. In addition, Pizza Hut's systemwide sales are growing faster than the burger biggie's (10.7 percent vs. 8.6 percent).

Reinemund scoffs at assertions that Pizza Hut may someday square off with McDonald's for a title bout. "We don't wake up and say, 'We want to catch McDonald's,'" he says. "We wake up and say, 'We want to sell more pizza.' We hope to increase our rate of growth."

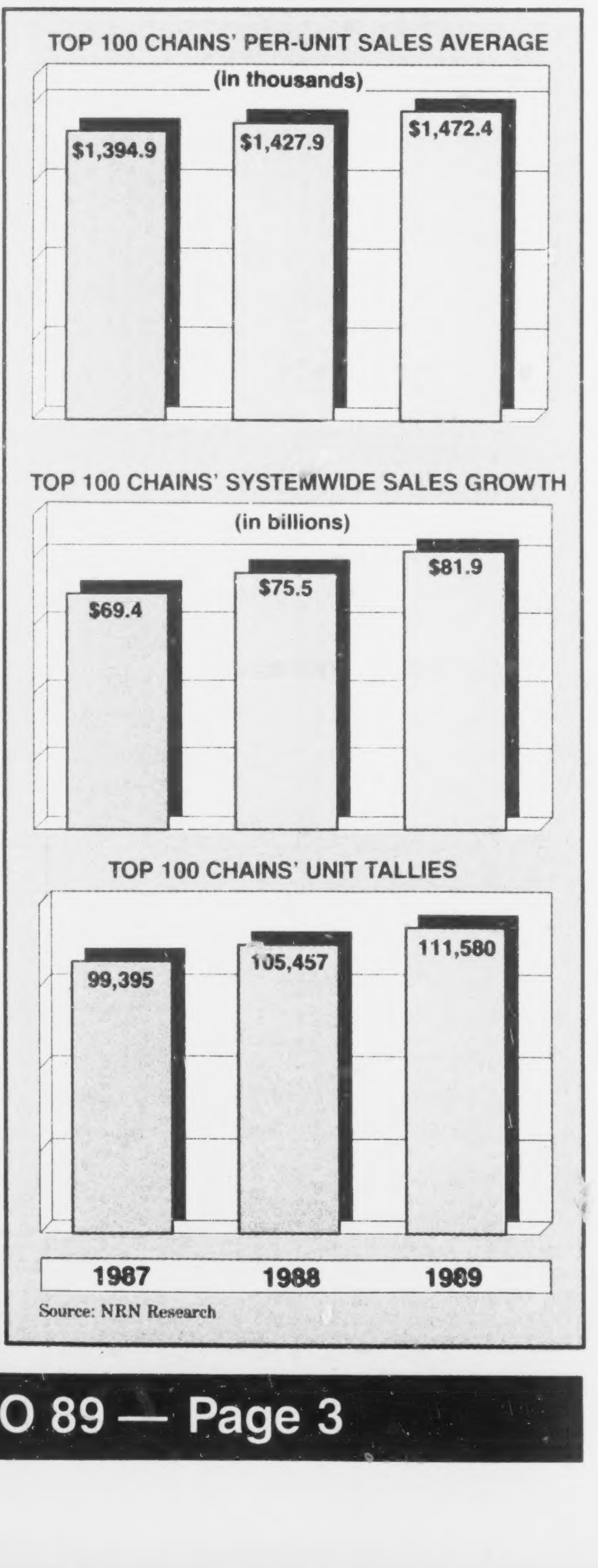
But like a schoolyard bully, McDonald's is backing Pizza Hut up against a wall. The Home of the Golden Arches has just begun browning the crusts of a new pizza product.

"We're certainly not under-

*(See **McD**, page F29)*

TOP 100 CHAINS' PER-UNIT SALES AVERAGE

(in thousands)



Source: NRN Research

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Vol. 23, No. 32 Aug. 7, 1989

NEWS DIGEST

National Pizza resumes pursuit of Skipper's

PITTSBURG, Kan. — For the second time this year, National Pizza is mounting an effort to acquire control of Skipper's, the Bellevue, Wash.-based quick-service seafood chain.

In documents filed with the Securities and Exchange Commission, National Pizza — the largest Pizza Hut franchise, with sales in excess of $140 million — said it would propose a negotiated acquisition of Skipper's at some point in the future.

National Pizza abandoned plans to buy Skipper's earlier this year, when its $9.25-per-share tender offer for the company failed to draw two-thirds of Skipper's total shares outstanding. Equally daunting, Pizza Hut threatened to pull the franchisee's licensing agreement if National acquired the seafood chain.

Wendy's shelves breakfast to test new chicken sandwich

DUBLIN, Ohio — After sharply curtailing tests here of a new breakfast menu, Wendy's is mobilizing its research-and-development department for a hometown sales trial of a new chicken sandwich.

At the franchisor's annual sales meeting in May, Charles Rath, executive vice president of marketing, stressed the need to develop a grilled-chicken sandwich. The 3,650-unit chain already features a sandwich made with a deep-fried chicken fillet. A variation — Chicken Parmigiana — was spotlighted earlier this year as a short-term promotional item.

Searching for a way to re-enter the morning market, Wendy's had tested a variety of biscuit and muffin breakfast sandwiches in about 70 units here. The experimental menu has been yanked out of about 50 of those stores.

Reports say the Le Cozes seek to buy 2nd restaurant

NEW YORK — Maguy and Gilbert Le Coze, operators of the acclaimed Le Bernardin restaurant here, are seeking to buy a dining outlet currently operated by actress Mariel Hemingway and her husband, Steve Crisman, according to widespread reports.

The Le Cozes, Hemingway and Crisman could not be reached for comment. However, Crisman has confirmed that he and his wife have discussed the possibility of selling their Sam's restaurant on the West Side. The place is situated in the same complex that houses Le Bernardin.

A second Sam's is located on the East Side.

Disco king Rubell dead at age 45

Rubell

NEW YORK — Steve Rubell, the restaurateur-turned-nightclub-impresario whose Studio 54 was the place to be during the height of the disco craze, died here at age 45 from hepatitis and an unchecked bacterial infection.

Before opening the world-famous Studio 54 with longtime partner Ian Schrager, Rubell was an investor in several New York restaurants, including Water's Edge in Queens. Ironically, his next brush with food service was as a dining-room worker in a federal correctional facility. During the height of Studio 54's fame, Rubell and Schrager were nabbed for evading income taxes by underreporting the disco's revenues.

After their release from prison, the duo entered the lodging business by converting a rundown New York residential hotel into Morgans, a chic hostelry that quickly garnered a star-studded clientele.

Plans to outfit the place with a restaurant operated by famed chef Larry Forgione were scotched after the state refused to grant the place a liquor license.

More recently, Rubell, Schrager, and several investors opened the Royalton, another boutique-style hotel, and began conversion of the Century Paramount.

Dunkin' wins injunction to stall hostile suitor

RANDOLPH, Mass. — In a triumph for Dunkin' Donuts, a U.S. district court has granted the bakery chain's request for an injunction suspending a hostile takeover attempt by DD Acquisitions, a partnership of two Toronto-based companies.

Judge Edward Harrington ordered one of the partners, Kingsbridge Capital, to append DD's $43-per-share tender offer with information about Kingsbridge's violation of Canadian securities laws in an unspecified previous takeover attempt. Kingsbridge was commanded to cease acquiring Dunkin' stock until the revised offer had been in shareholders' hands for 10 days.

At the same time the judge dismissed DD's complaint that Dunkin' had violated U.S. securities laws by including an investment guide's financial projections in government filings.

DD was formed by Kingsbridge and Cara Operations, a Canadian contract feeder and restaurant operator.

Files show Ponderosa, Steak & Ale link

By Peter Romeo

DALLAS — Grand Metropolitan PLC has completed the sale of its Steak & Ale and Bennigan's chains for $434 million, and the same conglomerate that owns Ponderosa steak houses has surfaced as a key figure in the acquisition.

Although the parties announced that the deal had been consummated, they made no mention publicly of Ponderosa parent Metromedia Corp.

Nevertheless, a prospectus filed in connection with the deal shows that Metromedia has negotiated agreements to acquire up to 90 percent of S & A Restaurant Corp., operator of the two dinner-house groups, beginning in 1992.

Participating in the acquisition of S & A are Don Slater, the company's chief executive, and DJS-Inverness, a New York investment concern.

But S & A and its principal lender "are expected" to grant Metromedia "the right to control the management and operations" of the dinner-house operator, according to the documents. "Metromedia has advised the company [S&A] that it currently contemplates that existing management . . . will remain in place," the document noted.

The documents describe a debt offering by S & A and its major banker, Citibank Ventures Capital Ltd., to be used to pay for the acquisition of S & A from Grand Met.

According to the prospectus, Metromedia had agreed to buy 240,000 preferred shares of the newly independent S & A for $100 each, or $24 million. In addition, the report specified, Metromedia has consented to pay $742,000 for warrants to purchase 75,000 S & A common shares, or 15 percent of the company.

Furthermore, as a result of an oral agreement, Citibank and Metromedia "are expected to enter into a buy/sell agreement" that calls for Citibank to tender its 85-percent S & A stake to Metromedia in three years, the prospectus reveals.

The document notes that the various agreements involving Metromedia were sealed with a handshake on July 7, several weeks after Mike Jenkins joined Ponderosa as president. Jenkins, an alumnus of S & A, resigned as president of TGI Friday's in 1988 to seek an acquisition of an unspecified restaurant company. Reliable sources indicated at the time that Jenkins was stalking S & A.

Grand Met acquired S & A Restaurant Corp. through the takeover earlier this year of Pillsbury Co., whose holdings also included Burger King.

Grand Met said at the time that it would sell S & A because of "closed shop" laws prohibiting brewers and distillers from operating liquor retail outlets. The conglomerate is one of the world's largest suppliers of alcoholic beverges.

Pepsico restaurant group posts 15% rise in profits

By Rajan Chaudhry

PURCHASE, N.Y. — Torrid gains in sales and profits at Pepsico's Pizza Hut and Taco Bell operations rescued the company from a severe second-quarter dowsing by leaky Kentucky Fried Chicken.

Despite a 19-percent plummet in KFC's earnings and an $8 million pretax charge for the consolidation of KFC's U.S. field operations, Pepsico's restaurant group posted a 15-percent increase in profits, to $102.1 million, on a 20-percent gain in sales, to $1.2 billion.

Pizza Hut's earnings flared 41 percent, to $51.8 million, for the quarter ended June 17, on a 21-percent rise in sales, to $540 million.

The increases were fueled by improvements in both traditional and delivery channels, wider margins, and the rapid expansion of the number of delivery locations, Pizza Hut said.

Comparable sales for domestic company-owned Pizza Hut units increased 11 percent for the quarter and 12 percent year to date.

Taco Bell's earnings also exploded in the quarter, ignited by effective marketing programs, improved margins, and the continued success of the operation's menu-price rollback.

Taco Bell's operating profits soared to $32.4 million in the latest quarter, a 60-percent gain over the same quarter last year, while sales climbed 31 percent, to $330 million.

Taco Bell, which operates the segment-leading Mexican fast-food chain — posted comparable-store sales gains for domestic company-owned units of 22 percent for the quarter and 20 percent year to date.

Including the consolidation charge, KFC's earnings tumbled 44 percent for the latest quarter, to $17.9 million.

Pepsico cited higher chicken and labor costs as well as lower customer counts as reasons for KFC's declines.

Comparable-store sales at KFC rose only 2 percent for the quarter and 4 percent year to date, Pepsico said.

Overall, Pepsico's net income rose 21 percent in the second quarter, to $264.9 million, on a 24-percent increase in sales, to almost $3.6 billion.

The company's snack food operations posted a 24-percent jump in profits to $191.7 million, while sales rose 17 percent, to $948 million.

And soft-drink operating profits surged 60 percent, to $239.6 million, on a 33-percent rise in sales, to almost $1.5 billion.

For the June-ended six months, the company's net profits increased 29 percent, to $430 million, while its sales advanced 22 percent, to $6.6 billion.

Tennessee Restaurant redeems shares

MEMPHIS, Tenn. — Tennessee Restaurant Co. — owner of the Friendly restaurant chain and a partner in Perkins Restaurants L.P. — exercised an option to redeem shares of its stock from Holiday Corp., cutting the hotel and gaming company's ownership to 33 percent from 68 percent, Holiday said.

Holiday said it would record a pretax gain from the transaction of about $2.3 million in its third quarter.

In 1985 Holiday transferred its interest in Perkins Restaurants Inc. to TRC in exchange for 79-percent ownership of the new company.

TRC subsequently sold half its equity to the public in the form of limited partnership units.

TRC redeemed a portion of Holiday's TRC stock for $13 million in 1986, thereby trimming Holiday's interest to 68 percent. An agreement was also reached providing for TRC to purchase approximately 78 percent of Holiday's remaining stake for $16.1 million by November 1989.

Last year TRC acquired 91 percent of the outstanding shares of Friendly Ice Cream Corp. for $375 million.

For its first half ended in July, Holiday said its net income was $59.3 million compared with $81.1 million in the same period last year.

Last year's first-half net included $162.7 million from property transactions and an extraordinary charge of $24.8 million.

Net income for the latest first half includes property transactions totaling $68.6 million, the company said.

Holiday's revenues dipped 4 percent through the first six months, to $775.7 million, reflecting the disposition of hotels.

The sale of hotels is part of the company's strategy to reduce the debt it incurred in its 1987 recapitalization and to expand via licensing and management contracts.

FOOD PRICE OUTLOOK

Vegetable supplies could be tight

Supplies of some **vegetables** for this year's canned and frozen packs may be in tighter supply than was forecast earlier. Rains in the Northeastern and Middle Atlantic states caused gaps in planting this spring.

The **pea** crop in those areas is estimated at about 50 percent below expectations. The Midwestern outlook is for 20 percent less than planned. At that the pack should be greater than last year's drought-plagued one. Northwestern prospects look good, although some areas are under budget.

Green beans are in better shape, although below forecast in both the Northeastern and Middle Atlantic areas. Heat has pared some harvesting. **Sweet corn** looks as if it will be close to forecast, up about 10 percent from last year's crop. Producer stocks on these commodity vegetables are low. Prices should moderate in the fall or hold stable.

Beef and **pork** prices continue to hold well above last year's at this time. Hog producers are still predicting larger farrowing, but sustained demand is up, holding prices. Feedlot inventories are down from last year's, with prices reflecting smaller slaughters.

Scallop prices are trending up . . . California **iceberg lettuce** prices have been running higher this year on strong demand, despite plentiful supplies . . . Idaho **potato** acreage for fall is up 3 percent over last year's, but nationally the fall harvest looks to be about the same as 1988.

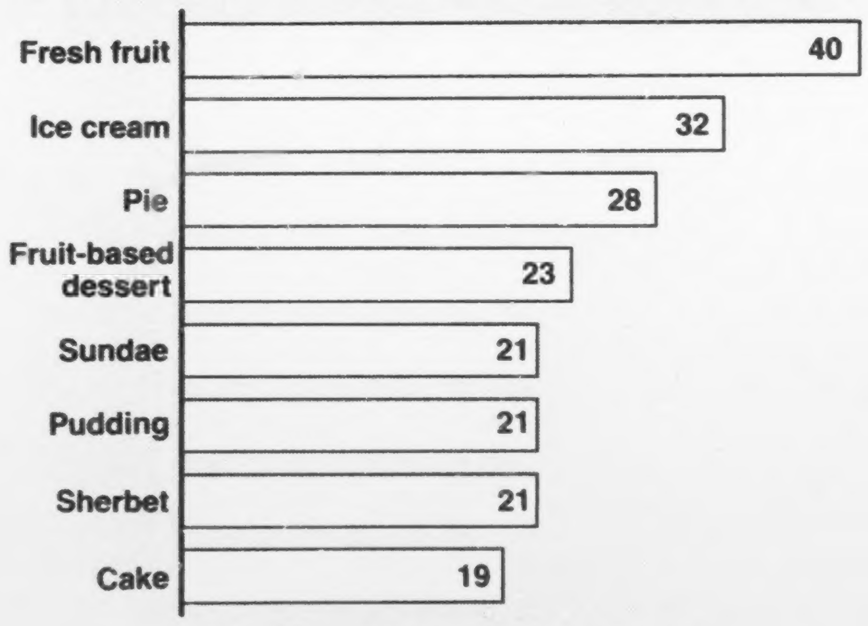
— **Patt Patterson**

FACT FILE

A look at the statistics shaping the industry

CUSTOMERS GO BANANAS OVER FRESH FRUIT

(percent of adults likely to order the following desserts*)



* Respondents could list as many answers as apply
Source: National Restaurant Association Gallup Survey, 1989

NRN FINANCIAL DIGEST

Arby's operating profits up 23%

ATLANTA — Arby's Inc. said second-quarter operating profits advanced 23 percent, to $6.2 million, on a 13-percent rise in sales, to $43.1 million.

Arby's credited the gains to increased spending on marketing, new restaurant openings, and the introduction of a sub deluxe sandwich and other new products.

For the first six months of 1989, the company — which operates a system of about 2,100 Arby's roast beef restaurants — said its operating profit improved 23 percent over the comparable period last year, to $9.4 million, while sales increased 16 percent, to $81.4 million.

Marriott drafts senior housing plan

WASHINGTON — Marriott Corp. — the diversified foodservice and hospitality giant — said it would build 150 senior housing centers at a cost of more than $1 billion over the next five years.

The 150 independent full-service and catered living communities will provide housing for more than 25,000 senior citizens, Marriott said.

The company also said it would build four new full-service retirement communities. It already has three such properties under development and manages another 12.

Homestyle Buffet nets 65% profit rise

OLDSMAR, Fla. — Homestyle Buffet Inc. said an increase in the number of restaurants in operation helped lift net earnings 65 percent, to $258,146, on a 140-percent sales gain, to $5.1 million, for its second quarter ended June 21.

The company had 13 buffet-style restaurants in operation at the end of the latest quarter, compared with five in the same period last year.

Homestyle Buffet said it has added a 14th unit in Rochester, N.Y., and that it plans to open two restaurants — one each in Philadelphia and Baltimore — in September.

The company also said it expects to open units in Rochester, Niagara Falls, N.Y., and Baltimore in the fourth quarter, which will bring its total number of restaurants to 19.

Homestyle Buffet completed its second public stock offering in June, selling 821,250 shares with net proceeds of about $5.8 million.

National Pizza's net profits gain 38%

PITTSBURG, Kan. — National Pizza Co., Pizza Hut's largest franchisee, said improvements in its delivery business contributed to a 38-percent rise in net income, to $3.6 million, on a 21-percent increase in net sales, to $39.5 million, for its first quarter ended June 27.

National Pizza operates 337 Pizza Hut restaurants and delivery kitchens in 13 states.

Nation's
Restaurant News

FOCUS

THE TOP 100 OF 1989

Although the big continue to get bigger, even food service's mightiest contenders have been slowed this year by cutthroat competition and a slowdown in demand

10 FASTEST-GROWING TOP 100 RESTAURANT CHAINS

(year-to-year change, number of units)

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Percent Change '89 vs.'88	Percent Change '88 vs.'87
1	1	Olive Garden	May	56.52%	76.92%
2	41	Popeye's Famous Fried Chicken & Biscuits	Oct.	44.06	5.93
3	5	TCBY	Nov.	36.17	42.94
4	6	Radisson Hotels	Dec.	27.87	34.07
5	31	Marriott Travel Plazas	Dec.	26.80	8.99
6	2	Little Caesars Pizza	Dec.	26.01	66.67
7	12	Service America	March	25.00	25.00
8	7	Sbarro the Italian Eatery	Dec.	24.90	33.16
9	13	Tony Roma's	Feb.	23.66	22.37
10	70	Disney Theme Parks	Sept.	22.70	1.65

Source: NRN Research

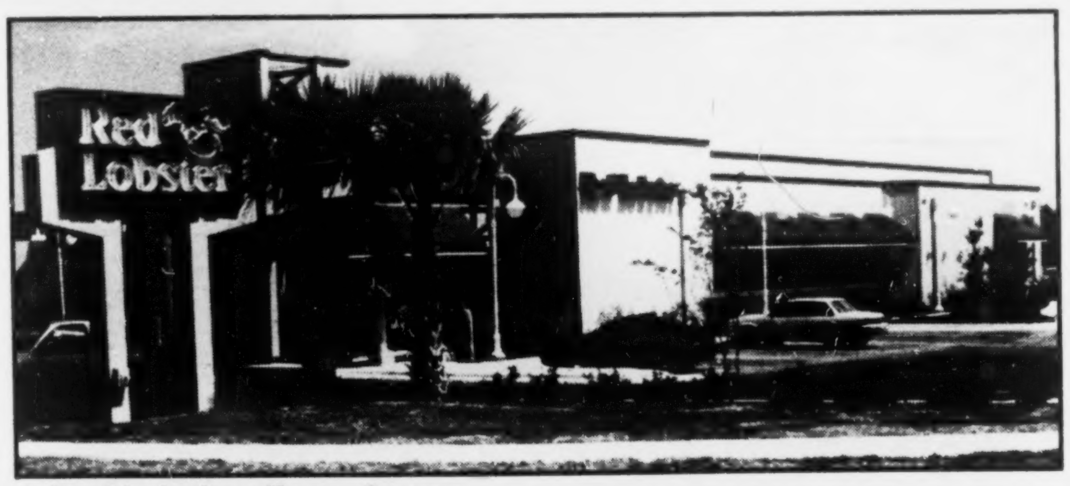
10 BIGGEST GAINERS IN PER-UNIT SALES

(ranked by % change in avg. unit sales, '89 vs. '88)

Rank	Chains	Fiscal Year Ends	% chg., '89 vs. '88
1	Western Sizzlin	Dec.	17.45%
2	Subway	Dec.	16.42
3	Taco Bell	Dec.	14.94
4	Sky Chefs	Dec.	13.41
5	Marie Callender's	Dec.	11.80
6	Sonic Drive-ins	Aug.	10.96
7	Jack in the Box	Oct.	10.74
8	Pizza Hut	Jan.	10.00
9	Concession Air	Dec.	8.50
10	Marriott Food Services Management	Dec.	8.06

Source: NRN Research

An El Pollo Asado Charbroiled Chicken unit.



A Red Lobster dinner house.

One of the airline kitchens served by Marriott In-Flite Services .

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FOCUS | OPINION

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Critical industry issue: Safety at all levels

Editor's Corner

Charles Bernstein

"Safety last" seems to be a slogan throughout much of the food-service industry. Struggling for traffic and profits, operators tend to relegate safety concerns to a minor role while focusing on other "really important" matters.

In reality, "safety first"and "safety always" should be the slogans when it comes to food, cleanliness, and maintaining the best possible conditions for the customer.

Safety can have a positive impact on traffic and profits when it receives full attention or a devastating effect when ignored, as outbreaks of salmonella and hepatitis have amply demonstrated. Just one such outbreak is enough to cripple a restaurant with negative publicity and loss of customers.

Safety concerns and the desperate need for operators to stop ignoring this question have been highlighted in graphic examples presented by Stephen Estrin, a Mahopac, N.Y., safety expert and this newspaper's safety columnist.

Among other things, he cited slippery stairways without handrails as menaces in some restaurants. Lawsuits filed by customers who have fallen on such stairways have led to settlements in the six-figure or seven-figure range and a tarnished image for the restaurants involved.

Estrin also cited a different case in which a 15-year-old employee assigned to replenish a salad bar was scalded and injured when soup spilled onto her legs from a covered but unsecured pot. A jury awarded her $225,000.

These problems start at the top with company officials who too often make safety a Z priority. Instead, it must be a priority throughout the organization. Full responsibility on all safety matters should be delegated to specific department directors such as security, purchasing or human resources.

Fires and resulting exorbitant insurance premiums have also been a hazard, with an estimated average of 20 major restaurant fires annually totaling losses from $20 million to $30 million. In an upcoming column, Estrin will detail fire prevention methods which could save restaurants a great deal of grief. These include the proper types of smoke detectors, fire extinguishers, sprinkler systems, and eliminating all fire hazards.

Although restaurant sanitation standards have improved, violations do occur. Restaurants still receive health-code warnings and are even shut down over problems.

Operators tend to be terrified about newspaper listings if their places are cited for violations. However, this is not something that can be kept entirely private.

In New York City, shakedowns by health inspectors entered the picture last year as some restaurants hit with warnings and violations had refused to give payoffs. They should be applauded for their courage but still should maintain a clean place.

If restaurants were as clean as they claim, there would not be a constant need for exterminators. Nor would the exterminators shine so much on the restaurant scene.. So there must be a problem.

But the most serious safety issue is food contamination. As reported in Nation's Restaurant News last month, the Food & Drug Administration says that anywhere from 2 million to 4 million pepple annually become sick from something they ate in a restaurant or elsewhere. In addition, a serious form of hepatitis is said to be on the rise now after having declined.

A massive effort is essential to virtually eliminate food-borne illnesses. It starts with basics such as cleaning and hosing the kitchen daily and employing micribiologists to check bacteria levels.

But any comprehensive program must really start with the chief executive. If he believed in all aspects of safety and sanitation, his executives would also. The unit manager in turn would encourage his employees to go all-out.

To not worry about safety unless there are injuries or lawsuits is asking for trouble. Preventing food-borne illnesses, accidents, and fires should be a priority for all food-service operators.

As the president of a leading food safety and sanitation company declared, "People should not be in business if they can't demonstrate that they can serve safe food and run a safe operation."

LETTERS

Thanks for memories of Chuck Rolles

Editor, NRN:

I was happy to read about Chuck Rolles ("Where are they now?" June 5). Back in 1955, when I was a youth living in Ithaca and Chuck was setting records on Ivy League basketball courts, I was so impressed with his ability that years later, when I enrolled in college, his Waikiki restaurant and the memory of those years at Cornell University convinced me that I could do a lot worse than a career in the restaurant industry.

Thanks for rekindling some happy memories.

— **John H. Bing Jr.**
Toluca Lake, Calif.

Change a definite must for I-9 legislation

Editor, NRN:

I enjoyed reading your Editor's Corner column, "INS terror tactics harass operators."

As an attorney specializing in immigration and labor relations matters, I have represented many restaurateurs over the past two years. Many have been totally befuddled by complex INS regulations and have needed representation when the INS conducted a raid or an I-9 audit. I hope that Nation's Restaurant News continues to report on the impact of this law on restaurateurs.

I completely share your views regarding the new Immigration Reform and Control Act. Legislative change *must* be initiated. To that end, on May 10, 1989, I testified before the House Subcommittee on Immigration and Refugee Policy about the impact of employer sanctions on the employer community. My focus was the impact on restaurateurs, since they seem to have been hit the hardest. I cited many examples of travesties that have occurred to restaurateurs. I also included several news clippings from Nation's Restaurant News on this subject.

You should also be aware of a new bill, by Senators Simpson and Kennedy, which would prevent restaurateurs from sponsoring aliens who are working in occupations with a shortage of labor.

In addition, a very significant error was made in your May 22 article, "How to fill out the I-9s." The author stated that the form must be filled out for all persons hired after May 31, 1987. Actually, employers must complete the I-9 form for individuals who were hired after Nov. 6, 1986, and who continued to be employed after May 31, 1987.

When the employer sanction regulations were published on May 1, 1987, the INS decided not to hold employers liable retroactively for failing to fill out I-9s for employees who left the work force before the government disseminated the form.

What happens if an employer has not completed I-9 forms at all? Abate the damages; start filling out I-9s *now*, at least for your current work force. You may still receive a fine because the I-9s were not timely filled out. However, your good faith compliance with the law will serve as a mitigating factor in assessing the amount of penalties to be levied.

Because there are many exceptions in the regulations and they are only now being litigated, it might be best to seek the advice of an attorney expert in immigration-labor-related matters in advance of an immigration I-9 audit.

— **Josie Gonzalez**
attorney-at-law
Gonzalez and Harris
Los Angeles

Hospitality shouldn't be pushy with guests

Editor, NRN:

As to your "Great expectations, disappointing results" Editor's Corner, I agree and disagree!

The guest should be allowed to choose the table. The guest has the right to have a dish prepared the way he or she wishes. The guest needs to be informed of special offerings. The guest should be offered the right to comment on food and service.

It all comes down to the approach and execution of the host, server, manager, kitchen, and restaurant. Hospitality needs to be real, not pushy.

— **W. Reed Embrey**
Restaurant Concepts
Charlotte, N.C.

NRN welcomes letters on timely topics. Send to: Letters Editor, Nation's Restaurant News, 425 Park Ave., New York, N.Y., 10022. Letters may be edited for space, clarity, and fairness.

FOCUS | TOP 100

TOP 100 CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Concept	Parent Company	Fiscal Year Ends	Systemwide Sales (by fiscal year in millions) 1989	1988	1987
1	1	McDonald's	Hamburger	McDonald's Corp.	Dec.	$12,360.0	$11,380.0	$10,580.0
2	2	Burger King	Hamburger	Burger King Corp.	Sept.	5,110.0	4,840.0	4,590.0
3	5	Pizza Hut	Pizza	Pepsico	Jan.	3,100.0	2,800.0	2,200.0
4	4	Hardee's	Hamburger	Imasco Ltd.	Dec.	3,040.0	2,810.0	2,600.0
5	3	Kentucky Fried Chicken	Chicken	Pepsico Inc.	Dec.	3,000.0	2,900.0	2,700.0
6	6	Wendy's	Hamburger	Wendy's International Inc.	Jan.	2,860.0	2,720.0	2,700.0
7	7	Domino's	Pizza	Domino's Pizza Inc.	May	2,600.0	2,300.0	1,900.0
8	8	Marriott Food Services Management	Contract	Marriott Corp.	Dec.	2,340.0	2,120.0	1,897.3
9	9	Dairy Queen	Ice Cream	International Dairy Queen	Nov.	2,068.0	1,859.0	1,658.0
10	10	Taco Bell	Mexican	Pepsico Inc.	Dec.	1,840.0	1,600.0	1,543.0
11	11	Canteen	Contract	TW Services Inc.	Dec.	1,651.0	1,597.0	1,475.0
12	12	ARA Services (ARA SERV)	Contract	ARA Services Inc.	Sept.	1,357.0	1,261.0	1,145.0
13	13	Denny's	Fam. Rest.	TW Services	Dec.	1,300.0	1,227.0	1,335.0
14	14	Arby's	Roast Beef	DWG Corp.	Dec.	1,300.0	1,100.0	935.0
15	16	Red Lobster	Dinner House	General Mills	May	1,200.0	1,050.0	977.0
16	21	Little Caesars Pizza	Pizza	Little Caesar Enterpises, Inc.	Dec.	1,200.0	908.0	725.0
17	19	Marriott Hotels & Resorts	Hotel	Marriott Corp.	Dec.	1,144.5	1,021.4	890.1
18	20	Sheraton Hotels	Hotel	ITT Corp.	Dec.	1,065.8	1,005.0	1,021.3
19	18	Big Boy	Fam. Rest.	Elias Bros.	Dec.	1,040.0	1,030.0	1,027.0
20	17	Service America	Contract	Servam Inc.	March	1,040.0	1,034.0	1,016.0
21	22	Dunkin' Donuts	Doughnut	Dunkin' Donuts	Oct.	1,014.4	880.0	790.4
22	15	Marriott In-Flite/Host [1]	Contract	Marriott Corp.	Dec.	1,010.0	1,060.0	986.0
23	25	Jack in the Box	Hamburger	Foodmaker Inc.	Oct.	875.0	775.0	655.0
24	23	Hilton Hotels	Hotel	Hilton Hotels Corp.	Dec.	862.3	838.2	833.8
25	24	Shoney's	Fam. Rest.	Shoney's Inc.	Oct.	860.0	798.6	718.6
26	27	Sizzler Steak Seafood & Salad	Steak House	Sizzler Restaurants Int'l Inc.	April	845.6	748.6	632.5
27	31	Subway Sandwiches & Salads	Sandwhiches	Doctors Associates	Dec.	805.0	582.8	344.0
28	26	Long John Silver's	Fish	Jerrico Inc.	June	785.0	753.1	736.7
29	28	Ponderosa Steak Houses	Steak House	Ponderosa Inc.	Feb.	710.0	696.0	651.0
30	30	7-Eleven	C. Store	Southland Corp.	Dec.	670.9	639.0	672.0
31	29	Holiday Inn	Hotel	Holiday Corp.	Dec.	669.2	686.3	700.1
32	32	Roy Rogers	Hamburger	Marriott Corp.	Dec.	620.0	575.0	525.0
33	33	Bonanza Family Restaurants	Steak House	USA Cafes, L.P.	Dec.	620.0	570.5	458.4
34	34	Friendly	Chicken	Tennessee Restaurant Corp.	Dec.	590.0	563.5	572.4
35	38	Popeye's Famous Fried Chicken & Biscuits	Fam. Rest.	Biscuit Investments Inc.	Oct.	590.0	477.0	460.0
36	36	Baskin Robbins	Ice Cream	Allied Lyons PLC	Dec.	524.4	501.8	469.3
37	44	Disney Theme Parks	Theme Park	Disney Corp.	Sept.	506.0	408.0	366.0
38	39	Dobbs International/Dobbs Houses	Contract	Greyhound Corp.	Dec.	505.0	463.0	449.0
39	37	Western Sizzlin Restaurants	Steak House	Western Sizzlin, Inc.	Dec.	500.0	487.5	466.2
40	45	Carl's Jr.	Hamburger	Carl Karcher Enterprises Inc.	Jan.	480.6	399.3	345.0
41	40	Golden Corral Family Steakhouse	Steak House	Investors Management Corp.	Dec.	464.8	455.6	428.8
42	41	Bennigan's	Dinner House	S&A Restaurant Corp.	May	458.7	455.0	449.3
43	48	Perkins	Fam. Rest.	Tennessee Restaurant Corp.	Dec.	450.0	375.0	343.7
44	43	Quality Inns	Dinner House	Manor Care Inc.	May	430.4	420.2	343.4
45	42	Chi-Chi's	Dinner House	Foodmaker, Inc.	Oct.	422.0	431.0	410.0
46	47	T.G.I. Friday's	Dinner House	TGI Friday's Inc.	Jan.	410.0	383.0	364.1
47	46	El Torito	Dinner House	Restaurant Enterprises Group I	Dec.	400.0	386.0	402.0
48	52	Sonic Drive-In	Hamburger	Sonic Industries Inc.	Aug.	390.0	341.1	306.4
49	51	Sky Chefs	Contract	Onex Corp.	Dec.	383.4	352.7	333.4
50	50	Captain D's Seafood	Seafood	Shoney's Inc.	Oct.	381.0	363.6	342.6

EXPLANATION OF COLUMN HEADINGS

- **Rank:** The Top 100 chains are ranked by systemwide sales — the sales of all franchised and company-operated restaurants — for fiscal 1989 unless otherwise indicated. The 1988 ranking is based on revised data for the prior fiscal year. Because of adjustments to both the fiscal 1988 and fiscal 1987 figures, the numbers may not match the amounts listed on last year's Top 100 listing.

- **Chain:** The name of the restaurant, hotel, or contract-feeding operation, as it appears on signage and other trademarks.

- **Concept:** Type of restaurant operated by the chain, as defined by the signature menu item or style of service. "Fam. Rest." stands for family restaurant, a concept also known as a coffee shop.

- **Parent company:** The business entity that owns a chain's trademarks, licensing rights, and copyright. The term is often synonymous with franchisor.

- **Systemwide sales:** Domestic food-service sales of all company-operated and franchised restaurants within a chain. Figures for concessionaires and in-store feeders excludes all retail sales except food-service intake.

- **Source:** Data was gathered by NRN's editorial staff from franchisors, franchisees, financial analysts, press clippings, data banks, and other reliable sources. In instances where current figures were not available, historical information was used to project or estimate sales.

FOCUS | TOP 100

TOP 100 CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Concept	Parent Company	Fiscal Year Ends	Systemwide Sales (by fiscal year in millions)		
						1989	1988	1987
50	50	Captain D's Seafood	Seafood	Shoney's Inc.	Oct.	$ 381.0	$ 363.6	$ 342.6
51	35	Church's Fried Chicken	Chicken	Biscuit Investments, Inc.	Dec.	359.8	559.3	533.9
52	53	Pizza Inn	Pizza	Pantera's Corp.	June	344.0	330.0	310.0
53	55	Whataburger	Hamburger	Whataburger Inc.	Sept.	340.0	310.0	260.0
54	63	Morrison Custom Management	Contract	Morrison Inc.	May	335.0	266.1	166.2
55	65	Chili's Grill & Bar	Dinner House	Chili's Inc.	June	331.0	260.0	196.0
56	49	Rax	Roast Beef	Rax Restaurants Inc.	July	330.0	366.8	358.3
57	54	Ramada Inn	Hotel	Ramada Inc.	Dec.	329.6	314.4	303.3
58	56	International House of Pancakes	Fam. Rest.	IHOP Corp.	Dec.	325.0	291.3	297.5
59	57	Morrison's Family Dining	Cafeteria	Morrison Inc.	May	320.0	291.0	278.0
60	60	Hyatt Hotels	Hotel	Hyatt Hotels Corp.	Jan.	311.1	282.1	259.4
61	58	Westin Hotels & Resorts	Hotel	Aoki Corp.	Dec.	302.4	285.6	271.5
62	61	Marriott Travel Plazas	Rest Stop	Marriott Corp.	Dec.	300.0	273.0	236.0
63	85	TCBY	Dinner House	TCBY Enterprises Inc.	Nov.	300.0	210.0	120.0
64	99	Olive Garden	Yogurt	General Mills Inc.	May.	300.0	171.0	75.0
65	67	Ground Round [2]	Dinner House	Hanson Trust PLC	Sept.	300.0	259.0	216.0
66	59	White Castle	Hamburger	White Castle System Inc	Dec.	299.4	282.7	282.6
67	73	Ryan's Family Steak Houses	Steak House	Ryan's Family Steak Houses Inc	Dec.	295.0	236.0	185.0
68	66	Bob Evans Farms [3]	Fam. Rest.	Bob Evans Farms Inc.	April	293.5	259.2	221.2
69	62	Furr's/Bishop's Cafeterias	Cafeteria	Furr's/Bishop's Cafeterias L.P	Dec.	288.0	271.0	256.2
70	68	Luby's Cafeteria	Cafeteria	Luby's Cafeterias Inc.	Aug.	285.0	254.3	232.9
71	64	Chuck E. Cheese/Pizza Time Theatre	Pizza	Show Biz Pizza Time Inc.	Dec.	278.0	260.9	239.1
72	74	Piccadilly Cafeterias	Cafeteria	Piccadilly Cafeterias, Inc.	June	274.0	234.6	217.5
73	76	Chick-Fil-A	Chicken	Chick-Fil-A, Inc.	Dec.	268.0	230.0	202.0
74	77	Marie Callender's	Pizza	Wilshire Restaurant Group	Dec.	265.0	230.0	206.4
75	70	Round Table Pizza	Fam. Rest.	Round Table Pizza	June	265.0	250.0	250.0
76	82	Radisson Hotels	Hotel	Carlson Cos.	Dec.	265.0	216.5	169.4
77	72	Ogden Allied Leisure Services	Contract	Ogden Corp.	Dec.	260.0	241.0	210.0
78	69	Quincy's Family Steakhouse	Steak House	TW Services Inc.	Dec.	259.8	250.9	221.5
79	90	Tony Roma's	Ribs	Roma Corp.	Feb.	241.0	188.1	144.5
80	80	Seiler Corp.	Contract	Sodexho Corp.	Aug.	241.0	225.0	185.0
81	79	Carvel	Ice Cream	Carvel Corp.	Dec.	237.7	228.7	220.0
82	71	Godfather's Pizza	Pizza	Godfather's Pizza Inc.	May	236.0	245.0	261.0
83	83	Harry M. Stevens	Contract	Harry M. Stevens Inc.	Dec.	231.3	215.0	192.0
84	78	Village Inn	Fam. Rest.	Vicorp Inc.	Oct.	230.0	229.7	218.3
85	98	El Pollo Loco	Chicken	Denny's Inc.	Dec.	220.0	173.0	115.0
86	86	Waffle House	Fam. Rest.	Waffle House Inc.	June	219.6	210.0	189.4
87	81	Steak and Ale	Dinner House	S&A Restaurant Corp.	May	214.5	221.1	256.0
88	89	Bakers Square	Fam. Rest.	Vicorp Inc.	Oct.	214.0	189.4	155.8
89	84	Del Taco	Mexican	American Restaurant Group	Dec.	211.7	211.0	217.0
90	88	Daka	Contract	Daka International Inc.	June	210.0	191.0	182.0
91	87	Sportservice	Contract	Delaware North Cos.	Dec.	209.0	193.0	174.0
92	91	Circle K	C. Store	Circle K Corp.	April	204.2	187.0	169.0
93	100	Sbarro the Italian Eatery	Pizza	Sbarro Inc.	Dec.	200.0	154.4	116.3
94	92	Stuart Anderson's Black Angus	Dinner House	American Restaurant Group	Dec.	198.8	187.0	187.0
95	95	Houlihan's	Dinner House	Gilbert-Robinson Inc.	Dec.	198.6	179.6	164.3
96	94	Concession Air	Contract	Delaware North Cos.	Dec.	195.3	180.0	163.0
97	96	Krystal	Fam. Rest.	The Krystal Co.	Dec.	184.0	178.0	184.0
98	93	Howard Johnson	Hamburger	Franchise Associates	April	184.0	182.0	250.0
99	97	Wyatt Cafeterias	Cafeteria	Wyatt Cafeterias Inc.	Dec.	180.1	175.3	178.0
100	75	Woolworth	In-Store	F.W. Woolworth Inc.	Jan.	179.0	234.0	255.0
TOTALS:						$81,913.4	$75,492.8	$69,421.3

Source: NRN Research

FOOTNOTES

[1] A controlling interest in Marriott's In-Flite business is about to be sold to Caterair. However, Marriott has indicated that the inflight caterer's name will remain Marriott In-flite.

[2] Ground Round is poised to be sold by Hanson Trust to International Protein Corp.

[3] Included in Bob Evans' systemwide sales is the intake of several units that operate under the name Owens Family Restaurants.

FOCUS | TOP 100

TOP 100 COMPANIES RANKED BY FISCAL 1989 REVENUES

Rank 1989	Rank 1988	Company	Year Ends	Concepts	Revenues (by fiscal year in millions)		
					1989	1988	1987
1	2	PepsiCo inc.	Dec.	Kentucky Fried Chicken, Taco Bell, Pizza Hut	$5,500.0	$4,854.5	$4,188.2
2	1	Marriott Corp. [1]	Dec.	Roy Rogers, Big Boy, contract feeding, Marriott Hotels	5,350.0	4,865.0	4,424.0
3	3	McDonald's Corp.	Dec.	McDonald's	4,020.0	3,720.0	3,440.0
4	4	TW Services Inc. [2]	Dec.	Denny's, Hardee's, El Pollo Loco, Quincy's	3,750.0	3,517.0	2,492.0
5	5	General Mills	May.	Red Lobster, Olive Garden	1,770.0	1,430.0	1,200.0
6	6	ARA Services Inc.	Sept.	ARA Services	1,357.0	1,261.0	1,145.0
7	11	Domino's Pizza Inc.	May	Domino's Pizza	1,161.0	990.0	883.8
8	8	Wendy's International Inc.	Jan.	Wendy's	1,120.0	1,060.0	1,060.0
9	12	Imasco Ltd.	Dec.	Hardee's	1,100.0	931.0	900.0
10	9	Servam Inc.	March	Service America	1,040.0	1,034.0	1,016.0
11	10	Foodmaker Inc.	Oct.	Jack in the Box, Chi-Chi's	1,033.2	993.1	655.1
12	7	Restaurant Enterprises Group	Dec.	El Torito, Carrow's, Coco's	966.5	1,193.6	1,210.5
13	17	Morrison Inc.	May	Morrison's Cafeterias, contract feeding, Ruby Tuesdays, L&M Seafood Grill, Silver Spoon Cafe, Sadie's Cafe	832.0	712.0	549.0
14	13	Greyhound Corp.	Dec.	Contract, Burger King	795.0	766.0	746.0
15	14	Grand Metropolitan PLC	Sept.	Burger King	781.7	744.5	803.3
16	16	Tennessee Restaurant Corp.	Dec.	Perkins, Friendly	775.0	713.0	138.0
17	18	Shoney's Inc.	Oct.	Shoney's, Captain D's, Lee's Famous	743.0	668.2	600.9
18	15	S&A Restaurant Corp.	Oct.	Steak & Ale, Bennigan's	690.1	716.1	737.2
19	19	Jerrico Inc.	June	Long John Silver's, Jerry's Restaurants, Florenz	638.8	603.7	567.1
20	22	Carlson Cos. [3]	Dec.	Radisson Hotels, Country Kitchen	562.0	511.6	485.8
21	21	American Restaurant Group	Dec.	Stuart Anderson's, Brandy's, Velvet Turtle, Spectrum, Spoons	558.0	530.1	519.5
22	20	Collins Foods International Inc.	April	Kentucky Fried Chicken, Sizzler	541.7	566.5	522.0
23	25	Carl Karcher Enterprises Inc.	Jan.	Carl's Jr.	535.0	446.0	369.0
24	23	Southland Corp.	Dec.	7-Eleven	523.0	498.0	604.5
25	28	Disney Corp.	Sept.	Amusement Concessions	506.0	408.0	366.0
26	24	Investors Management Corp.	Dec.	Golden Corral, Oh! Brian's, Church's Chicken	481.0	470.0	445.0
27	27	TGI Friday's Inc.	Jan.	T.G.I. Friday's, Dalt's	440.0	412.0	393.0
28	30	Ogden Corp.	Dec.	Ogden Allied Service, Ogden Allied Aviation	415.0	386.0	347.0
29	26	Metromedia Inc.	Feb.	Ponderosa	408.0	419.0	416.0
30	34	Delaware North Cos.	Dec.	Concession Air, Sports Service	404.0	323.0	337.0
31	29	Elias Bros.	Dec.	Big Boy, Top Hat Contracting	400.0	400.0	325.0
32	32	Onex Corp.	Dec.	Sky Chefs, Southwest Dining Service	383.4	352.7	333.4
33	31	Daka International	June	Contract, Elgio Sub Shops, Fuddruckers	380.0	360.0	200.0
34	33	Vicorp Restaurants Inc.	Oct.	Bakers Square, Village Inn	360.0	334.6	312.6
35	42	Chili's Inc.	June	Chili's Grill & Bar	350.0	274.0	196.0
36	35	Whataburger Inc.	Sept.	Whataburger	340.0	310.0	260.0
37	37	Sizzler Restaurants Int'l Inc.	April	Sizzler	311.5	290.9	241.1
38	40	Hyatt Hotels Corp.	Jan.	Hyatt Hotels	311.1	282.1	259.4
39	90	Biscuit Investments, Inc.	Oct.	Church's, Popeye's	309.3	80.0	65.9
40	38	Boddie-Noell Enterprises Inc.	Sept.	Hardee's	309.0	289.0	268.0
41	36	Aoki Corp.	Dec.	Westin Hotels	307.9	291.1	472.1
42	41	ITT Corp.	Dec.	Sheraton Hotels	303.6	281.6	281.3
43	47	Little Caesars Enterpises, Inc.	Dec.	Little Caesars	303.0	248.0	180.0
44	45	Hanson Trust PLC [4]	Sept.	Ground Round	300.0	259.0	216.0
45	39	White Castle System Inc.	Dec.	White Castle	299.4	282.7	282.6
46	44	Bob Evans Farms Inc.	April	Bob Evans Farms, Owens Family Restaurant	293.5	259.2	221.0
47	43	Furr's/Bishop's Cafeterias	Dec.	Furr's/Bishop's	288.0	271.0	256.1
48	46	Luby's Cafeteria	Aug.	Luby's Cafeterias	285.0	254.3	232.9
49	49	Piccadilly Cafeterias Inc.	June	Piccadilly Cafeterias, Ralph & Kacoo's	274.8	235.3	218.3
50	50	Chick-fil-A, Inc.	Dec.	Chick-fil-A	272.0	232.0	203.0

EXPLANATION OF COLUMN HEADINGS

- **Rank:** The ranking is based on revenues for each company's domestic food-service revenues for fiscal 1989 unless otherwise indicated. Only food-service revenues were included.

The 1988 figure is based on revised data for the prior fiscal year. Because of the adjustments, the numbers may not match the figures presented in last year's Top 100 listing.

- **Company:** The business entity that ultimately receives the specified food-service revenues.

- **Key concepts:** The names of the chains or restaurants operated or franchised by the company. In some instances, the listed concept is the type of food-service operation — contract feeding, for instance.

- **Revenues:** Domestically-generated food-service dollars collected by the company. Included are sales from company-operated operations; franchise fees; and proceeds from routine asset sales and divestitures. Excluded are the intake of franchised restaurants; revenues generated by manufacturing or wholesaling products; revenues generated by the sale of processed foods through supermarkets; and distribution revenues.

- **Source**: Data were gathered from company reports, financial analysts, franchisees, and other reliable sources. In instances where current information was unavailable, historical data was used to estimate or project figures.

TOP 100 COMPANIES RANKED BY FISCAL 1989 REVENUES

Rank 1989	Rank 1988	Company	Year Ends	Concepts	Revenues (by fiscal year in millions)		
					1989	1988	1987
51	48	Nestle S.A.	Dec.	Stouffer Restaurants, Cheese Cellar, Rusty Scupper, J.B. Winberry, Stouffer Hotels	$245.0	$240.9	$225.0
52	52	Sodexho Corp.	Aug.	Seiler Corp, Food Dimensions, Boatel	241.0	225.0	185.0
53	73	Riese Organization [5]	Dec.	Houlihan's, Dunkin' Donuts, Roy Rogers, Pizza Hut	240.8	142.2	126.4
54	51	TPI Enterprises	Dec.	Shoney's, Captain De's	240.0	225.0	212.5
55	56	International Dairy Queen Inc.	Nov.	Dairy Queen, Orange Julius, Karmel Korn, Golden Skillet	238.4	206.7	179.3
56	59	Ryan's Family Steak Houses Inc.	Dec.	Ryan's	238.0	193.0	154.0
57	54	Harry M. Stevens Inc.	Dec.	Contract feeding	231.3	215.0	192.0
58	53	Paragon Restaurant Group	Oct.	Carlos Murphy's, Hungry Hunter, Mountain Jack's	225.0	216.5	167.7
59	55	Restaurant Associates Industries Inc.	Dec.	Acapulco, Charlie Brown's, The Office Restaurant, Mama Leone's	217.0	207.0	195.0
60	57	Specialty Restaurants Corp.	July	94th Squadron, Baby Doe's, Crawdaddy's, Castaway	212.0	200.0	183.0
61	60	Circle K. Corp.	April	Circle K C-Stores	204.2	187.0	169.0
62	61	Hilton Hotels Corp.	Dec.	Hilton Hotels, Conrad International, Hilton Suites, Cresthil by Hilton	201.1	185.0	176.0
63	63	Gilbert-Robinson Inc.	Dec.	Houlihan's	198.6	179.6	164.3
64	65	Horn & Hardart Co.	Dec.	Burger King, Arby's, Tony Roma's, International King's Table	190.5	175.4	106.2
65	64	Krystal Co.	Dec.	Krystal	184.0	178.0	184.0
66	66	Wyatt Cafeterias Inc.	Dec.	Wyatt Cafeteria's	180.1	175.3	178.5
67	62	Holiday Corp. [6]	Dec.	Holiday Inn, Embassy suites, Harrah's	179.7	181.7	196.5
68	70	DWG Corp.	Dec.	Arby's	175.5	153.8	136.1
69	75	Abela Enterprises Inc.	Dec.	Wood Co.	170.0	138.6	121.5
70	71	Show Biz Pizza Time Inc.	Dec.	Chuck E. Cheese/Pizza Time	168.7	151.4	125.8
71	67	F.W. Woolworth Inc.	Jan.	Burger King, In-store restaurants	163.2	162.2	167.7
72	72	Unigate Restaurants Inc.	Mar.	Taco Bueno, Casa Bonita, Black-Eyed Pea	160.0	147.0	138.0
73	74	Club Corp. International	Dec.	Clubsand Resorts	155.5	140.0	127.0
74	83	Sbarro Inc.	Dec.	Sbarro	155.0	114.0	84.4
75	77	Carrols Corp.	Dec.	Burger King	155.0	133.5	130.0
76	69	DeNova Corp.	Dec.	Dog 'N Suds, Tastee Freez International	151.0	155.0	157.0
77	79	RTM Inc.	May	Arby's	150.0	128.0	106.0
78	68	Winchell's Donut Houses L.P. [7]	Dec.	Winchell's	145.0	158.5	171.8
79	82	National Pizza Co.	Mar	Pizza Hut	141.7	119.7	98.6
80	80	Wilshire Restaurant Group	Dec.	Marie Callender's	140.0	124.0	119.6
81	76	Frisch's Restaurants Inc.	May	Big Boy, Roy Rogers	139.5	137.4	133.0
82	85	Cracker Barrel Old Country Store Inc.	July	Cracker Barrel	139.0	104.9	83.0
83	102	Pantera's Corp.	June	Pizza Inn, Pantera's	139.0	24.8	33.7
84	78	Papa Gino's of America	Sept.	Papa Gino's Pizza	137.4	128.3	116.6
85	84	Dunkin' Donuts	Oct.	Dunkin' Donuts, Chili's	130.0	112.8	106.0
86	87	TCBY	Nov.	TCBY	121.5	98.0	69.0
87	94	Buffets Inc.	Dec.	Old Country Buffet	115.5	72.7	48.6
88	81	Rax Restaurants Inc.	July	Rax	110.9	123.1	124.0
89	86	Consolidated Products Inc.	Sept.	Steak n Shake	104.5	101.1	97.3
90	88	Waffle House Inc.	June	Waffle House	95.9	91.7	84.6
91	89	Sybra Inc.	Dec.	Arby's	92.0	81.2	69.2
92	91	Godfather's Pizza Inc.	May	Godfather's	86.2	79.3	91.6
93	92	Skipper's Inc.	Dec.	Skipper's	85.0	79.0	79.8
94	58	Ramada Inc. [8]	Dec.	Tropicana	82.5	195.0	180.6
95	93	IHOP Corp.	Dec.	International House of Pancakes	82.0	74.0	74.9
96	95	National Convenience Stores	June	Stop and Go	72.0	65.0	50.0
97	97	WSMP, Inc. [9]	Feb.	Western Steer	57.1	42.2	32.4
98	96	Carousel Snack Barns of MN, Inc.	May	Carousel	52.0	52.9	48.0
99	98	Uno Restaurant Corporation	Sept.	Pizzeria Uno	44.7	31.6	21.6
100	99	Doctors Associates	Dec.	Subway	38.8	31.0	22.7
TOTAL:					$52,801.3	$48,215.4	$42,830.1

Source: NRN Research

FOOTNOTES

[1] Marriott Corp. has agreed to sell a controlling interest in its In-Flite business to Caterair. Completion of the deal would substantially reduce Marriott's 1989 revenues and lower the company's ranking accordingly.

[2] TW Services has agreed to be acquired by Coniston Partners. Completion of the buyout would land Coniston in this berth.

[3] Curt Carlson, the owner of Carlson Cos. and holder of an 80-percent stake in TGI Friday's, has tendered a bid for the Friday's shares he does not already own. Completion of a buyout would pull Friday's revenues into Carlson Cos.'s results. Friday's would drop from the company listing.

[4] Hanson Trust PLC has agreed to sell its sole food-service business, the Ground Round family restaurant chain, to International Protein Corp. Completion of the deal would land IPC in this slot in place of Hanson.

[5] Riese Organization's revenues reflect the company's 40-percent stake in Gilbert-Robinson, operator of the Houlihan's chain.

[6] Holiday Corp.'s food-service revenues reflect the company's stake in Tennessee Restaurant Corp., operator of the Perkins and Friendly family restaurant chains.

[7] Winchell's Donut Houses has agreed to sell its doughnut business to Shato Holdings Ltd. for $40 million. The transaction would land Shato in this berth.

[8] Ramada Inc. plans to change its name to Aztar Corp. after its financial restructuring is completed.

[9] WSMP was formerly known as Western Steer-Mom 'n' Pop's.

FOCUS | TOP 100

TOP 100 CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	McDonald's	Dec.	8,276	7,907	7,567
2	2	7-Eleven	Dec.	6,680	6,391	7,418
3	3	Pizza Hut	Jan.	6,050	5,707	5,394
4	4	Burger King	Sept.	5,361	5,020	4,701
5	6	Domino's	May	5,008	4,893	4,279
6	5	Kentucky Fried Chicken	Dec.	4,997	4,899	4,814
7	7	Dairy Queen	Nov.	4,700	4,556	4,422
8	8	Circle K	April	4,066	4,077	3,507
9	9	Wendy's	Jan.	3,697	3,521	3,582
10	11	Subway Sandwiches & Salads	Dec.	3,440	2,900	2,000
11	10	Hardee's	Dec.	3,327	3,110	2,912
12	12	Taco Bell	Dec.	3,080	2,878	2,696
13	14	Little Caesars Pizza	Dec.	2,747	2,180	1,308
14	13	Baskin Robbins	Dec.	2,600	2,500	2,628
15	15	ARA Services (ARA SERV)	Sept.	2,500	2,180	1,850
16	17	Arby's	Dec.	2,158	1,949	1,763
17	16	Marriott Food Services Management	Dec.	2,005	1,957	1,896
18	19	Dunkin' Donuts	Oct.	1,925	1,764	1,669
19	18	Canteen	Dec.	1,836	1,800	1,774
20	23	Service America	March	1,700	1,360	1,088
21	24	TCBY	Nov.	1,600	1,175	822
22	22	Long John Silver's	June	1,525	1,469	1,420
23	20	Holiday Inn	Dec.	1,479	1,526	1,486
24	25	Denny's	Dec.	1,300	1,100	1,000
25	28	Jack in the Box	Oct.	1,031	966	897
26	26	Big Boy	Dec.	1,030	1,030	960
27	34	Popeye's Famous Fried Chicken & Biscuits	Oct.	1,030	715	675
28	21	Church's Fried Chicken	Dec.	1,028	1,481	1,495
29	27	Sonic Drive-In	Aug.	1,000	980	955
30	31	Carvel	Dec.	914	897	880
31	30	Quality Inns	May	896	925	770
32	33	Morrison Custom Management	May	890	802	680
33	32	Friendly	Dec.	848	840	842
34	36	Pizza Inn	June	758	666	677
35	35	Ponderosa Steak Houses	Feb.	720	695	661
36	29	Woolworth	Jan.	715	940	927
37	37	Shoney's	Oct.	704	636	604
38	39	Roy Rogers	Dec.	660	606	556
39	38	Bonanza Family Restaurants	Dec.	652	612	600
40	42	Sizzler Steak Seafood & Salad	April	628	587	547
41	41	Captain D's Seafood	Oct.	602	588	574
42	40	Waffle House	June	600	600	650
43	46	Round Table Pizza	June	550	530	520
44	44	Western Sizzlin Restaurants	Dec.	550	579	594
45	45	Seller Corp.	Aug.	540	530	400
46	52	Marriott Hotels & Resorts	Dec.	528	437	349
47	43	Godfather's Pizza	May	523	580	605
48	47	Rax	July	510	521	520
49	49	Ramada Inn	Dec.	507	501	494
50	48	Golden Corral Family Steakhouse	Dec.	501	505	514
51	51	Carl's Jr.	Jan.	482	443	436
52	50	Whataburger	Sept.	480	470	445
53	53	International House of Pancakes	Dec.	456	436	436
54	54	Red Lobster	May	441	402	392
55	56	Chick-Fil-A	Dec.	410	386	363
56	55	Dobbs International/Dobbs Houses	Dec.	408	396	377
57	58	Daka	June	400	355	319
58	57	Del Taco	Dec.	371	371	376
59	59	Perkins	Dec.	370	341	334
60	60	Sheraton Hotels	Dec.	356	339	353
61	64	Sbarro the Italian Eatery	Dec.	316	253	190
62	61	Hilton Hotels	Dec.	278	272	274
63	62	Chuck E. Cheese/Pizza Time Theatre	Dec.	258	258	262
64	65	White Castle	Dec.	250	235	229
65	63	Village Inn	Oct.	249	256	276
66	66	Krystal	Dec.	233	232	243
67	67	Howard Johnson	April	230	230	255
68	74	Disney Theme Parks	Sept.	227	185	182
69	71	Bob Evans Farms	April	222	201	175
70	68	Bennigan's	May	222	214	206
71	70	Quincy's Family Steakhouse	Dec.	220	211	215
72	69	Ground Round	Sept.	218	212	190
73	73	Chi-Chi's	Oct.	203	196	197
74	72	Marriott In-Flite/Host	Dec.	202	198	194
75	76	El Pollo Loco	Dec.	200	165	115
76	75	El Torito	Dec.	182	178	191
77	77	Morrison's Family Dining	May	170	163	156
78	81	Chili's Grill & Bar	June	170	146	114
79	79	Furr's/Bishop's Cafeterias	Dec.	160	157	154
80	78	Steak and Ale	May	159	162	178
81	85	Radisson Hotels	Dec.	156	122	91
82	82	Bakers Square	Oct.	155	145	138
83	80	Marie Callender's	Dec.	155	149	135
84	83	T.G.I. Friday's	Jan.	153	133	128
85	91	Olive Garden	May.	144	92	52
86	86	Ryan's Family Steak Houses	Dec.	142	122	95
87	84	Piccadilly Cafeterias	June	138	123	116
88	88	Luby's Cafeteria	Aug.	124	113	103
89	89	Marriott Travel Plazas	Dec.	123	97	89
90	87	Wyatt Cafeterias	Dec.	121	120	119
91	90	Tony Roma's	Feb.	115	93	76
92	92	Hyatt Hotels	Jan.	93	86	74
93	93	Stuart Anderson's Black Angus	Dec.	86	85	85
94	94	Sportservice	Dec.	69	67	61
95	95	Houlihan's	Dec.	68	64	62
96	96	Ogden Allied Leisure Services	Dec.	67	63	59
97	97	Concession Air	Dec.	45	45	40
98	98	Harry M. Stevens	Dec.	40	38	38
99	100	Westin Hotels & Resorts	Dec.	36	34	31
100	99	Sky Chefs	Dec.	35	35	34

Source: NRN Research

TOP 100 CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year in thousands) 1989	1988	1987
1	1	Sky Chefs	Dec.	$11,542.0	$10,177.0	$9,810.0
2	2	Westin Hotels & Resorts	Dec.	8,400.0	8,400.0	8,760.0
3	3	Marriott In-Flite/Host	Dec.	5,010.0	5,353.0	5,082.0
4	4	Concession Air	Dec.	4,340.0	4,000.0	4,075.0
5	5	Ogden Allied Leisure Services	Dec.	3,880.0	3,825.0	3,559.0
6	6	Hyatt Hotels	Jan.	3,350.0	3,280.0	3,510.0
7	8	T.G.I. Friday's	Jan.	3,200.0	3,000.0	2,900.0
8	7	Hilton Hotels	Dec.	3,100.0	3,080.0	3,040.0
9	10	Sportservice	Dec.	3,030.0	2,880.0	2,850.0
10	9	Sheraton Hotels	Dec.	2,990.0	2,960.0	2,890.0
11	11	Houlihan's	Dec.	2,990.0	2,850.0	2,690.0
12	13	Red Lobster	May	2,800.0	2,650.0	2,450.0
13	14	Olive Garden	May.	2,700.0	2,600.0	2,500.0
14	12	Marriott Travel Plazas	Dec.	2,440.0	2,814.0	2,593.0
15	15	Luby's Cafeteria	Aug.	2,395.0	2,345.0	2,384.0
16	17	Tony Roma's	Feb.	2,380.0	2,280.0	2,190.0
17	19	Stuart Anderson's Black Angus	Dec.	2,300.0	2,200.0	2,200.0
18	21	Chi-Chi's	Oct.	2,250.0	2,173.0	2,045.0
19	18	Disney Theme Parks	Sept.	2,229.0	2,205.0	2,010.0
20	22	El Torito	Dec.	2,220.0	2,090.0	2,080.0
21	16	Marriott Hotels & Resorts	Dec.	2,170.0	2,340.0	2,550.0
22	20	Bennigan's	May	2,100.0	2,200.0	2,200.0
23	23	Chili's Grill & Bar	June	2,100.0	2,000.0	1,950.0
24	25	Ryan's Family Steak Houses	Dec.	2,080.0	1,930.0	1,950.0
25	24	Piccadilly Cafeterias	June	1,985.0	1,949.0	1,933.0
26	26	Morrison's Family Dining	May	1,900.0	1,870.0	1,820.0
27	28	Furr's/Bishop's Cafeterias	Dec.	1,800.0	1,764.7	1,695.3
28	29	Marie Callender's	Dec.	1,800.0	1,610.0	1,588.0
29	27	Radisson Hotels	Dec.	1,700.0	1,770.0	1,860.0
30	31	McDonald's	Dec.	1,600.0	1,500.0	1,500.0
31	30	Wyatt Cafeterias	Dec.	1,500.0	1,500.0	1,500.0
32	34	Sizzler Steak Seafood & Salad	April	1,430.0	1,360.0	1,230.0
33	33	Shoney's	Oct.	1,430.0	1,371.0	1,361.0
34	36	Ground Round	Sept.	1,400.0	1,300.0	1,150.0
35	32	Bob Evans Farms	April	1,395.0	1,400.0	1,370.0
36	37	Bakers Square	Oct.	1,380.0	1,294.0	1,225.0
37	39	Perkins	Dec.	1,304.0	1,230.0	1,119.0
38	35	Steak and Ale	May	1,300.0	1,300.0	1,400.0
39	38	White Castle	Dec.	1,250.0	1,240.0	1,260.0
40	41	Dobbs International/Dobbs Houses	Dec.	1,238.0	1,170.0	1,190.0
41	40	Quincy's Family Steakhouse	Dec.	1,218.0	1,179.0	952.0
42	42	Chuck E. Cheese/Pizza Time Theatre	Dec.	1,187.4	1,109.8	1,036.9
43	45	Marriott Food Services Management	Dec.	1,167.0	1,080.0	1,006.0
44	44	Denny's	Dec.	1,105.0	1,090.0	1,059.0
45	43	Big Boy	Dec.	1,100.0	1,100.0	1,070.0
46	46	El Pollo Loco	Dec.	1,100.0	1,050.0	1,000.0
47	49	Burger King	Sept.	1,050.0	1,000.0	1,020.0
48	48	7-Eleven	Dec.	1,050.0	1,000.0	908.0
49	51	Carl's Jr.	Jan.	1,000.0	939.8	772.0
50	52	Roy Rogers	Dec.	1,000.0	935.0	900.0
51	55	Jack in the Box	Oct.	1,000.0	903.0	797.0
52	54	Village Inn	Oct.	990.0	917.0	874.0
53	47	Ponderosa Steak Houses	Feb.	986.1	1,001.4	984.9
54	50	Bonanza Family Restaurants	Dec.	975.0	940.0	918.0
55	53	Hardee's	Dec.	964.0	920.0	877.0
56	56	Golden Corral Family Steakhouse	Dec.	943.0	888.0	861.5
57	60	Western Sizzlin Restaurants	Dec.	909.1	774.0	790.2
58	57	Canteen	Dec.	899.2	887.2	831.5
59	58	Whataburger	Sept.	850.0	840.0	800.0
60	59	Howard Johnson	April	800.0	795.0	750.0
61	63	Wendy's	Jan.	797.0	759.0	741.0
62	61	Krystal	Dec.	790.0	765.0	765.0
63	67	International House of Pancakes	Dec.	713.0	668.0	639.0
64	66	Friendly	Dec.	700.0	685.0	683.0
65	74	Taco Bell	Dec.	677.0	589.0	579.0
66	70	Chick-Fil-A	Dec.	662.0	622.0	575.0
67	68	Captain D's Seafood	Oct.	660.0	630.0	631.0
68	71	Sbarro the Italian Eatery	Dec.	657.0	619.0	605.0
69	69	Ramada Inn	Dec.	650.2	627.5	613.9
70	72	Arby's	Dec.	650.0	609.0	575.0
71	64	Popeye's Famous Fried Chicken & Biscuits	Oct.	630.0	725.0	710.0
72	65	Rax	July	629.0	699.0	702.0
73	62	Service America	March	611.0	760.0	934.0
74	73	Kentucky Fried Chicken	Dec.	600.4	597.0	558.0
75	77	Harry M. Stevens	Dec.	577.5	566.0	505.0
76	81	Pizza Hut	Jan.	572.0	520.0	490.0
77	76	Del Taco	Dec.	570.6	568.7	577.1
78	78	Circle K	April	563.7	561.4	560.1
79	75	ARA Services (ARA SERV)	Sept.	542.8	578.4	618.9
80	80	Long John Silver's	June	540.0	528.3	526.8
81	79	Daka	June	525.0	538.0	571.0
82	82	Round Table Pizza	June	500.0	490.0	480.0
83	83	Dunkin' Donuts	Oct.	490.0	479.8	465.3
84	84	Quality Inns	May	480.4	454.2	446.0
85	85	Pizza Inn	June	468.6	450.0	430.0
86	86	Holiday Inn	Dec.	452.5	449.7	477.2
87	88	Seller Corp.	Aug.	442.2	424.0	462.5
88	87	Domino's	May	441.0	439.0	432.0
89	90	Godfather's Pizza	May	440.0	414.0	410.0
90	91	Dairy Queen	Nov.	440.0	408.2	375.0
91	89	Little Caesars Pizza	Dec.	428.0	421.0	398.4
92	93	Sonic Drive-In	Aug.	395.0	356.0	320.5
93	94	Waffle House	June	366.0	350.0	303.0
94	92	Church's Fried Chicken	Dec.	350.0	377.7	357.1
95	95	Morrison Custom Management	May	349.0	332.0	245.0
96	96	Carvel	Dec.	260.0	255.0	250.0
97	97	Woolworth	Jan.	250.0	249.0	243.0
98	98	TCBY	Nov.	237.4	224.0	210.0
99	99	Subway Sandwiches & Salads	Dec.	234.0	201.0	172.0
100	100	Baskin Robbins	Dec.	194.0	188.4	179.4
		AVERAGE:		$ 1,472.4	$ 1,427.9	$1,394.9

Source: NRN Research

FOCUS | TOP 100

TOP 100 RESTAURANT CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	Market Share 1988	Market Share 1987
1	1	McDonald's	Dec.	15.09%	15.07%	15.24%
2	2	Burger King	Sept.	6.24	6.41	6.61
3	5	Pizza Hut	Jan.	3.78	3.71	3.17
4	4	Hardee's	Dec.	3.71	3.72	3.75
5	3	Kentucky Fried Chicken	Dec.	3.66	3.84	3.89
6	6	Wendy's	Jan.	3.49	3.60	3.89
7	7	Domino's	May	3.17	3.05	2.74
8	8	Marriott Food Services Management	Dec.	2.86	2.81	2.73
9	9	Dairy Queen	Nov.	2.52	2.46	2.39
10	10	Taco Bell	Dec.	2.25	2.12	2.22
11	11	Canteen	Dec.	2.02	2.12	2.12
12	12	ARA Services (ARA SERV)	Sept.	1.66	1.67	1.65
13	13	Denny's	Dec.	1.59	1.63	1.92
14	14	Arby's	Dec.	1.59	1.46	1.35
15	16	Red Lobster	May	1.46	1.39	1.41
16	21	Little Caesars Pizza	Dec.	1.46	1.20	1.04
17	19	Marriott Hotels & Resorts	Dec.	1.40	1.35	1.28
18	20	Sheraton Hotels	Dec.	1.30	1.33	1.47
19	18	Big Boy	Dec.	1.27	1.36	1.48
20	17	Service America	March	1.27	1.37	1.46
21	22	Dunkin' Donuts	Oct.	1.24	1.17	1.14
22	15	Marriott In-Flite/Host	Dec.	1.23	1.40	1.42
23	25	Jack in the Box	Oct.	1.07	1.03	0.94
24	23	Hilton Hotels	Dec.	1.05	1.11	1.20
25	24	Shoney's	Oct.	1.05	1.06	1.04
26	27	Sizzler Steak Seafood & Salad	April	1.03	0.99	0.91
27	31	Subway Sandwiches & Salads	Dec.	0.98	0.77	0.50
28	26	Long John Silver's	June	0.96	1.00	1.06
29	28	Ponderosa Steak Houses	Feb.	0.87	0.92	0.94
30	30	7-Eleven	Dec.	0.82	0.85	0.97
31	29	Holiday Inn	Dec.	0.82	0.91	1.01
32	32	Roy Rogers	Dec.	0.76	0.76	0.76
33	33	Bonanza Family Restaurants	Dec.	0.76	0.76	0.66
34	34	Friendly	Dec.	0.72	0.75	0.82
35	38	Popeye's Famous Fried Chicken & Biscuits	Oct.	0.72	0.63	0.66
36	36	Baskin Robbins	Dec.	0.64	0.66	0.68
37	44	Disney Theme Parks	Sept.	0.62	0.54	0.53
38	39	Dobbs International/Dobbs Houses	Dec.	0.62	0.61	0.65
39	37	Western Sizzlin Restaurants	Dec.	0.61	0.65	0.67
40	45	Carl's Jr.	Jan.	0.59	0.53	0.50
41	40	Golden Corral Family Steakhouse	Dec.	0.57	0.60	0.62
42	41	Bennigan's	May	0.56	0.60	0.65
43	48	Perkins	Dec.	0.55	0.50	0.50
44	43	Quality Inns	May	0.53	0.56	0.49
45	42	Chi-Chi's	Oct.	0.52	0.57	0.59
46	47	T.G.I. Friday's	Jan.	0.50	0.51	0.52
47	46	El Torito	Dec.	0.49	0.51	0.58
48	52	Sonic Drive-In	Aug.	0.48	0.45	0.44
49	51	Sky Chefs	Dec.	0.47	0.47	0.48
50	50	Captain D's Seafood	Oct.	0.47	0.48	0.49
51	35	Church's Fried Chicken	Dec.	0.44	0.74	0.77
52	53	Pizza Inn	June	0.42	0.44	0.45
53	55	Whataburger	Sept.	0.42	0.41	0.37
54	63	Morrison Custom Management	May	0.41	0.35	0.24
55	65	Chili's Grill & Bar	June	0.40	0.34	0.28
56	49	Rax	July	0.40	0.49	0.52
57	54	Ramada Inn	Dec.	0.40	0.42	0.44
58	56	International House of Pancakes	Dec.	0.40	0.39	0.43
59	57	Morrison's Family Dining	May	0.39	0.39	0.40
60	60	Hyatt Hotels	Jan.	0.38	0.37	0.37
61	58	Westin Hotels & Resorts	Dec.	0.37	0.38	0.39
62	61	Marriott Travel Plazas	Dec.	0.37	0.36	0.34
63	85	TCBY	Nov.	0.37	0.28	0.17
64	99	Olive Garden	May.	0.37	0.23	0.11
65	67	Ground Round	Sept.	0.37	0.34	0.31
66	59	White Castle	Dec.	0.37	0.37	0.41
67	73	Ryan's Family Steak Houses	Dec.	0.36	0.31	0.27
68	66	Bob Evans Farms	April	0.36	0.34	0.32
69	62	Furr's/Bishop's Cafeterias	Dec.	0.35	0.36	0.37
70	68	Luby's Cafeteria	Aug.	0.35	0.34	0.34
71	64	Chuck E. Cheese/Pizza Time Theatre	Dec.	0.34	0.35	0.34
72	74	Piccadilly Cafeterias	June	0.33	0.31	0.31
73	76	Chick-Fil-A	Dec.	0.33	0.30	0.29
74	77	Marie Callender's	Dec.	0.32	0.30	0.30
75	70	Round Table Pizza	June	0.32	0.33	0.36
76	82	Radisson Hotels	Dec.	0.32	0.29	0.24
77	72	Ogden Allied Leisure Services	Dec.	0.32	0.32	0.30
78	69	Quincy's Family Steakhouse	Dec.	0.32	0.33	0.32
79	90	Tony Roma's	Feb.	0.29	0.25	0.21
80	80	Seiler Corp.	Aug.	0.29	0.30	0.27
81	79	Carvel	Dec.	0.29	0.30	0.32
82	71	Godfather's Pizza	May	0.29	0.32	0.38
83	83	Harry M. Stevens	Dec.	0.28	0.28	0.28
84	78	Village Inn	Oct.	0.28	0.30	0.31
85	98	El Pollo Loco	Dec.	0.27	0.23	0.17
86	86	Waffle House	June	0.27	0.28	0.27
87	81	Steak and Ale	May	0.26	0.29	0.37
88	89	Bakers Square	Oct.	0.26	0.25	0.22
89	84	Del Taco	Dec.	0.26	0.28	0.31
90	88	Daka	June	0.26	0.25	0.26
91	87	Sportservice	Dec.	0.26	0.26	0.25
92	91	Circle K	April	0.25	0.25	0.24
93	100	Sbarro the Italian Eatery	Dec.	0.24	0.20	0.17
94	92	Stuart Anderson's Black Angus	Dec.	0.24	0.25	0.27
95	95	Houlihan's	Dec.	0.24	0.24	0.24
96	94	Concession Air	Dec.	0.24	0.24	0.23
97	96	Krystal	Dec.	0.22	0.24	0.27
98	93	Howard Johnson	April	0.22	0.24	0.36
99	97	Wyatt Cafeterias	Dec.	0.22	0.23	0.26
100	75	Woolworth	Jan.	0.22	0.31	0.37

Source: NRN Research

TOP 100 CHAINS RANKED BY GROWTH IN UNIT TOTALS

(year-to-year percentage change)

Rank 1989	Rank 1988	Company	Fiscal Year Ends	Percent Change '88 vs.'89	Percent Change '88 vs.'87
1	1	Olive Garden	May	56.52%	76.92%
2	41	Popeye's Famous Fried Chicken & Biscuits	Oct.	44.06	5.93
3	5	TCBY	Nov.	36.17	42.94
4	6	Radisson Hotels	Dec.	27.87	34.07
5	31	Marriott Travel Plazas	Dec.	26.80	8.99
6	2	Little Caesars Pizza	Dec.	26.01	66.67
7	12	Service America	March	25.00	25.00
8	7	Sbarro the Italian Eatery	Dec.	24.90	33.16
9	13	Tony Roma's	Feb.	23.66	22.37
10	70	Disney Theme Parks	Sept.	22.70	1.65
11	4	El Pollo Loco	Dec.	21.21	43.48
12	11	Marriott Hotels & Resorts	Dec.	20.82	25.21
13	3	Subway Sandwiches & Salads	Dec.	18.62	45.00
14	26	Denny's	Dec.	18.18	10.00
15	10	Chili's Grill & Bar	June	16.44	28.07
16	9	Ryan's Family Steak Houses	Dec.	16.39	28.42
17	51	T.G.I. Friday's	Jan.	15.04	3.91
18	16	ARA Services (ARA SERV)	Sept.	14.68	17.84
19	86	Pizza Inn	June	13.81	– 1.62
20	23	Daka	June	12.68	11.29
21	40	Piccadilly Cafeterias	June	12.20	6.03
22	15	Morrison Custom Management	May	10.97	17.94
23	24	Arby's	Dec.	10.72	10.55
24	45	Shoney's	Oct.	10.69	5.30
25	19	Bob Evans Farms	April	10.45	14.86
26	28	Luby's Cafeteria	Aug.	9.73	9.71
27	61	Red Lobster	May	9.70	2.55
28	43	Dunkin' Donuts	Oct.	9.13	5.69
29	30	Roy Rogers	Dec.	8.91	8.99
30	71	Carl's Jr.	Jan.	8.80	1.61
31	63	Perkins	Dec.	8.50	2.10
32	18	Hyatt Hotels	Jan.	8.14	16.22
33	38	Taco Bell	Dec.	7.02	6.75
34	33	Sizzler Steak Seafood & Salad	April	6.98	7.31
35	35	Hardee's	Dec.	6.98	6.80
36	47	Bakers Square	Oct.	6.90	5.07
37	36	Burger King	Sept.	6.79	6.79
38	32	Jack in the Box	Oct.	6.73	7.69
39	65	Bonanza Family Restaurants	Dec.	6.54	2.00
40	59	White Castle	Dec.	6.38	2.62
41	37	Ogden Allied Leisure Services	Dec.	6.35	6.78
42	54	Houlihan's	Dec.	6.25	3.23
43	39	Chick-Fil-A	Dec.	6.22	6.34
44	42	Pizza Hut	Jan.	6.01	5.80
45	29	Westin Hotels & Resorts	Dec.	5.88	9.68
46	78	Harry M. Stevens	Dec.	5.6	0.00
47	91	Sheraton Hotels	Dec.	5.01	– 3.97
48	87	Wendy's	Jan.	5.00	– 1.70
49	49	McDonald's	Dec.	4.67	4.49
50	79	International House of Pancakes	Dec.	4.59	0.00
51	100	7-Eleven	Dec.	4.52	–13.84
52	50	Morrison's Family Dining	May	4.29	4.49
53	89	Quincy's Family Steakhouse	Dec.	4.27	– 1.86
54	25	Marie Callender's	Dec.	4.03	10.37
55	94	Baskin Robbins	Dec.	4.00	– 4.87
56	53	Long John Silver's	June	3.81	3.45
57	68	Round Table Pizza	June	3.77	1.92
58	52	Bennigan's	May	3.74	3.88
59	46	Ponderosa Steak Houses	Feb.	3.60	5.14
60	81	Chi-Chi's	Oct.	3.57	– 0.51
61	56	Dairy Queen	Nov.	3.16	3.03
62	48	Dobbs International/Dobbs Houses	Dec.	3.03	5.04
63	27	Sportservice	Dec.	2.99	9.84
64	22	Ground Round	Sept.	2.83	11.58
65	55	Marriott Food Services Management	Dec.	2.45	3.22
66	62	Captain D's Seafood	Oct.	2.38	2.44
67	20	Domino's	May	2.35	14.35
68	95	El Torito	Dec.	2.25	– 6.81
69	82	Hilton Hotels	Dec.	2.21	– 0.73
70	44	Whataburger	Sept.	2.13	5.62
71	60	Sonic Drive-In	Aug.	2.04	2.62
72	64	Marriott In-Flite/Host	Dec.	2.02	2.06
73	69	Kentucky Fried Chicken	Dec.	2.00	1.77
74	72	Canteen	Dec.	2.00	1.47
75	66	Furr's/Bishop's Cafeterias	Dec.	1.91	1.95
76	67	Carvel	Dec.	1.90	1.93
77	8	Seiler Corp.	Aug.	1.89	32.50
78	73	Ramada Inn	Dec.	1.20	1.42
79	77	Stuart Anderson's Black Angus	Dec.	1.18	0.00
80	80	Friendly	Dec.	0.95	– 0.24
81	75	Wyatt Cafeterias	Dec.	0.83	0.84
82	93	Krystal	Dec.	0.43	– 4.53
83	21	Concession Air	Dec.	0.00	12.50
84	97	Waffle House	June	0.00	– 7.69
85	57	Sky Chefs	Dec.	0.00	2.94
86	85	Chuck E. Cheese/Pizza Time Theatre	Dec.	0.00	– 1.53
87	84	Del Taco	Dec.	0.00	– 1.33
88	34	Big Boy	Dec.	0.00	7.29
89	99	Howard Johnson	April	0.00	– 9.80
90	17	Circle K	April	– 0.27	16.25
91	88	Golden Corral Family Steakhouse	Dec.	– 0.79	– 1.75
92	98	Steak and Ale	May	– 1.85	– 8.99
93	76	Rax	July	– 2.11	0.19
94	96	Village Inn	Oct.	– 2.73	– 7.25
95	58	Holiday Inn	Dec.	– 3.08	2.69
96	14	Quality Inns	May	– 3.14	20.13
97	90	Western Sizzlin Restaurants	Dec.	– 5.01	– 2.53
98	92	Godfather's Pizza	May	– 9.83	– 4.13
99	74	Woolworth	Jan.	–23.94	1.40
100	83	Church's Fried Chicken	Dec.	–30.59	– 0.94

Source: NRN Research

FOCUS | TOP 100

TOP 100 CHAINS RANKED BY SYSTEMWIDE SALES GROWTH

(year-to-year percentage change)

Rank 1989	Rank 1988	Chain	Percent Change '89 vs. '88	'88 vs. '87
1	1	Olive Garden	75.44%	128.00%
2	2	TCBY	42.86	75.00
3	3	Subway Sandwiches & Salads	38.13	69.42
4	12	Little Caesars Pizza	32.16	25.24
5	6	Sbarro the Italian Eatery	29.53	32.76
6	8	Tony Roma's	28.12	30.17
7	7	Chili's Grill & Bar	27.31	32.65
8	5	El Pollo Loco	27.17	50.43
9	4	Morrison Custom Management	25.89	60.11
10	10	Ryan's Family Steak Houses	25.00	27.57
11	33	Disney Theme Parks	24.02	11.48
12	73	Popeye's Famous Fried Chicken	23.69	3.70
13	9	Radisson Hotels	22.40	27.80
14	24	Carl's Jr.	20.36	15.74
15	47	Perkins	20.00	9.11
16	22	Arby's	18.18	17.65
17	51	Piccadilly Cafeterias	16.79	7.86
18	28	Chick-Fil-A	16.52	13.86
19	18	Ground Round	15.83	19.91
20	35	Dunkin' Donuts	15.27	11.34
21	34	Marie Callender's	15.22	11.43
22	74	Taco Bell	15.00	3.69
23	36	Sonic Drive-In	14.34	11.33
24	54	Red Lobster	14.29	7.47
25	23	Bob Evans Farms	13.23	17.18
26	17	Domino's	13.04	21.05
27	16	Bakers Square	12.99	21.57
28	20	Sizzler Steak Seafood & Salad	12.96	18.36
29	21	Jack in the Box	12.90	18.32
30	45	Luby's Cafeteria	12.07	9.19
31	27	Marriott Hotels & Resorts	12.05	14.75
32	91	International House of Pancakes	11.57	− 2.08
33	30	Dairy Queen	11.24	12.12
34	11	Pizza Hut	10.71	27.27
35	44	Houlihan's	10.58	9.31
36	32	Marriott Food Services Management	10.38	11.74
37	48	Hyatt Hotels	10.28	8.75
38	70	Morrison's Family Dining	9.97	4.68
39	68	Daka	9.95	4.95
40	25	Marriott Travel Plazas	9.89	15.68
41	19	Whataburger	9.68	19.23
42	40	Circle K	9.20	10.65
43	76	Dobbs International/Dobbs Houses	9.07	3.12
44	61	Sky Chefs	8.70	5.79
45	13	Bonanza Family Restaurants	8.68	24.45
46	52	McDonald's	8.61	7.56
47	41	Concession Air	8.50	10.43
48	38	Sportservice	8.29	10.92
49	50	Hardee's	8.19	8.08
50	26	Ogden Allied Leisure Services	7.88	14.76
51	43	Roy Rogers	7.83	9.52
52	37	Shoney's	7.69	11.13
53	42	ARA Services (ARA SERV)	7.61	10.13
54	31	Harry M. Stevens	7.58	11.98
55	15	Seiler Corp.	7.11	21.62
56	66	T.G.I. Friday's	7.05	5.19
57	46	Chuck E. Cheese/Pizza Time Theatre	6.55	9.12
58	85	Stuart Anderson's Black Angus	6.31	0.00
59	62	Furr's/Bishop's Cafeterias	6.27	5.78
60	89	Sheraton Hotels	6.05	− 1.60
61	86	Round Table Pizza	6.00	0.00
62	97	Denny's	5.95	− 8.09
63	84	White Castle	5.91	0.04
64	65	Westin Hotels & Resorts	5.88	5.19
65	63	Burger King	5.58	5.45
66	81	Wendy's	5.15	0.74
67	95	7-Eleven	4.99	− 4.91
68	75	Ramada Inn	4.83	3.66
69	60	Captain D's Seafood	4.79	6.13
70	88	Friendly	4.70	− 1.55
71	39	Waffle House	4.57	10.88
72	56	Baskin Robbins	4.50	6.93
73	58	Pizza Inn	4.24	6.45
74	78	Long John Silver's	4.24	2.23
75	72	Carvel	3.94	3.95
76	94	El Torito	3.63	− 3.98
77	29	Quincy's Family Steakhouse	3.55	13.27
78	55	Kentucky Fried Chicken	3.45	7.41
79	49	Canteen	3.38	8.27
80	93	Krystal	3.37	− 3.26
81	82	Hilton Hotels	2.88	0.53
82	87	Wyatt Cafeterias	2.74	− 1.52
83	71	Western Sizzlin Restaurants	2.56	4.57
84	14	Quality Inns	2.43	22.36
85	59	Golden Corral Family Steakhouse	2.02	6.25
86	57	Ponderosa Steak Houses	2.01	6.91
87	100	Howard Johnson	1.10	− 27.20
88	83	Big Boy	0.97	0.29
89	80	Bennigan's	0.81	1.27
90	79	Service America	0.58	1.77
91	92	Del Taco	0.33	− 2.76
92	64	Village Inn	0.13	5.22
93	67	Chi-Chi's	− 2.09	5.12
94	90	Holiday Inn	− 2.49	− 1.97
95	99	Steak and Ale	− 2.99	− 13.63
96	96	Godfather's Pizza	− 3.67	− 6.13
97	53	Marriott In-Flite/Host	− 4.72	7.51
98	77	Rax	−10.03	2.37
99	98	Woolworth	−23.50	− 8.24
100	69	Church's Fried Chicken	−35.67	4.76

Source: NRN Research

MCD FACES CHALLENGE

(Continued from page 1)

estimating their potential," Reinemund says. "They're strong marketers, and they have great distribution. But we're ready to give them a fight with everything we've got."

In any instance Pizza Hut still has light-years to travel before it can even draw within firing distance of Big Mac. Even if the pie maker merged tomorrow with Burger King and Hardee's — the Top 100's second- and fourth-place chains, respectively — to form a single chain, that new system's 1989 sales would still fall short of McDonald's tally.

The burger giant's sales are expected to top $12.36 billion this year, eclipsing the year-ago mark by $980 million. That projected increase is higher than the systemwide-sales totals of 87 chains in the Top 100.

What's more, Pizza Hut faces a still-formidable opponent in Burger King. Despite a humbling few years, the Home of the Whopper has retained the No. 2 chain rating, with domestic sales projected to reach $5.11 billion for the fiscal year ending in September. That 5.6-percent growth rate represents a slight improvement over the 5.5-percent gait clocked for the prior fiscal period.

The 1989 Top 100 settles a longstanding debate about which hamburger chain reigns as the nation's third largest. In recent years, Hardee's has trawled for media attention with claims that it had wrested the title of No. 3 from Wendy's, the undisputed third-place finisher during the mid-1980s. Wendy's has either ignored the challenge or countered with assertions that Hardee's numbers are inflated by the inclusion of distribution revenues.

NRN's figures leave no doubt that Hardee's has left Wendy's in the dust. The regional fast feeder's 1989 sales are expected to hit $3.04 billion, compared with Wendy's projected $2.86 billion. On the industrywide standings, those numbers place Hardee's fourth and Wendy's sixth.

In addition, Hardee's outscores Wendy's in per-unit sales ($964,000 to $797,000).

Wendy's surpassed its regional rival only in number of units (3,697 to 3,327).

Ironically, Pizza Hut's rise on the systemwide-sales chart came at the expense of Pepsico stable mate Kentucky Fried Chicken, which dropped two places, to No. 5.

Nevertheless, with domestic systemwide sales of $3 billion, KFC can continue to crow about its unchallenged dominance of the chicken segment.

The sales gains projected for KFC, Pizza Hut, and their Mexican sister, Taco Bell, are sufficient to catapult Pepsico into the No. 1 slot on NRN's ranking of U.S. companies by domestic food-service revenues. Pepsico is expected to leapfrog over Marriott Corp., with a projected food-service intake of $5.50 billion for 1989.

Marriott is forecasted to fall just $150 million short of that mark, with projected food-service revenues of $5.35 billion.

NRN's editors did a double take when the statistics placed McDonald's in the No. 3 slot in the ranking of food-service companies. However, with many U.S. feeders looking overseas for the bulk of their growth, NRN adopted more stringent criteria this year to extrapolate international sales from company revenue totals. The methodology was also employed to update Top 100 companies' 1987 and '86 revenues.

> *Pizza Hut still has light-years to travel before it can even draw within firing distance of Big Mac.*

The effort pushed McDonald's off the top of the list for the first time since 1973. Big Mac is projected to rake in $4.02 billion in domestic revenues this year to outstrip the No. 4 company, TW Services, by $270 million.

Rounding out the Big Five companies is General Mills, with domestic revenues of $1.77 billion. Approximately $300 million of that tally was garnered by the company's new Olive Garden Italian dinner-house chain, which broke into the Top 100 Chains ranking this year at number 64.

Although a newcomer to the standings, Olive Garden nevertheless secured First Place on the Systemwide Sales Growth list, which ranks chains by year-to-year increases in chainwide sales. It also topped the Fastest Growing Chains chart, which measures year-to-year increases in number of units.

TOP 100 CHAINS SHRINKING IN SIZE

(year-to-year change, number of units)

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Percent Change '89 vs.'88	'88 vs.'87
90	17	Circle K	April	− 0.27	16.25
91	88	Golden Corral Family Steakhouse	Dec.	− 0.79	− 1.75
92	98	Steak and Ale	May	− 1.85	− 8.99
93	76	Rax	July	− 2.11	0.19
94	96	Village Inn	Oct.	− 2.73	− 7.25
95	58	Holiday Inn	Dec.	− 3.08	2.69
96	14	Quality Inns	May	− 3.14	20.13
97	90	Western Sizzlin Restaurants	Dec.	− 5.01	− 2.53
98	92	Godfather's Pizza	May	− 9.83	− 4.13
99	74	Woolworth	Jan.	−23.94	1.40
100	83	Church's Fried Chicken	Dec.	−30.59	− 0.94

Source: NRN Research

FOCUS TOP 100

MARKET SHARES FOR TOP 100 FOOD-SERVICE COMPANIES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1988	1987
1	2	PepsiCo Inc.	Dec.	10.52%	10.16%	9.87%
2	1	Marriott Corp.	Dec.	10.23	10.19	10.43
3	3	McDonald's Corp.	Dec.	7.69	7.79	8.11
4	4	TW Services Inc.	Dec.	7.17	7.36	5.88
5	5	General Mills	May.	3.38	2.99	2.83
6	6	ARA Services Inc.	Sept.	2.59	2.64	2.70
7	11	Domino's Pizza Inc.	May	2.22	2.07	2.08
8	8	Wendy's International Inc.	Jan.	2.14	2.22	2.50
9	12	Imasco Ltd.	Dec.	2.10	1.95	2.12
10	9	Servam Inc.	March	1.99	2.16	2.40
11	10	Foodmaker Inc.	Oct.	1.98	2.08	1.54
12	7	Restaurant Enterprises Group	Dec.	1.85	2.50	2.85
13	17	Morrison Inc.	May	1.59	1.49	1.29
14	13	Greyhound Corp.	Dec.	1.52	1.60	1.76
15	14	Grand Metropolitan PLC	Sept.	1.49	1.56	1.89
16	16	Tennessee Restaurant Corp.	Dec.	1.48	1.49	0.33
17	15	S&A Restaurant Corp.	Oct.	1.32	1.50	1.74
18	18	Jerrico Inc.	June	1.22	1.26	1.34
19	21	Carlson Cos.	Dec.	1.07	1.07	1.15
20	20	American Restaurant Group	Dec.	1.07	1.11	1.22
21	19	Collins Foods International Inc.	April	1.04	1.19	1.23
22	24	Carl Karcher Enterprises Inc.	Jan.	1.02	0.93	0.87
23	22	Southland Corp.	Dec.	1.00	1.04	1.43
24	27	Disney Corp.	Sept.	0.97	0.85	0.86
25	23	Investors Management Corp.	Dec.	0.92	0.98	1.05
26	26	TGI Friday's Inc.	Jan.	0.84	0.86	0.93
27	29	Ogden Corp.	Dec.	0.79	0.81	0.82
28	25	Metromedia Inc.	Feb.	0.78	0.88	0.98
29	33	Delaware North Cos.	Dec.	0.77	0.68	0.79
30	28	Elias Bros.	Dec.	0.76	0.84	0.77
31	31	Onex Corp.	Dec.	0.73	0.74	0.79
32	30	Daka International	June	0.73	0.75	0.47
33	32	Vicorp Restaurants Inc.	Oct.	0.69	0.70	0.74
34	41	Chili's Inc.	June	0.67	0.57	0.46
35	34	Whataburger Inc.	Sept.	0.65	0.65	0.61
36	36	Sizzler Restaurants Int'l Inc.	April	0.60	0.61	0.57
37	39	Hyatt Hotels Corp.	Jan.	0.59	0.59	0.61
38	90	Biscuit Investments, Inc.	Oct.	0.59	0.17	0.16
39	37	Boddie-Noell Enterprises Inc.	Sept.	0.59	0.61	0.63
40	35	Aoki Corp.	Dec.	0.59	0.61	1.11
41	40	ITT Corp.	Dec.	0.58	0.59	0.66
42	46	Little Caesars Enterpises, Inc.	Dec.	0.58	0.52	0.42
43	44	Hanson Trust PLC	Sept.	0.57	0.54	0.51
44	38	White Castle System Inc.	Dec.	0.57	0.59	0.67
45	43	Bob Evans Farms Inc.	April	0.56	0.54	0.52
46	42	Furr's/Bishop's Cafeterias	Dec.	0.55	0.57	0.60
47	45	Luby's Cafeteria	Aug.	0.54	0.53	0.55
48	48	Piccadilly Cafeterias Inc.	June	0.53	0.49	0.51
49	49	Chick-fil-A, Inc.	Dec.	0.52	0.49	0.48
50	47	Nestle S.A.	Dec.	0.47	0.50	0.53
51	51	Sodexho Corp.	Aug.	0.46	0.47	0.44
52	73	Riese Organization	Dec.	0.46	0.30	0.30
53	50	TPI Enterprises	Dec.	0.46	0.47	0.50
54	56	International Dairy Queen Inc.	Nov.	0.46	0.43	0.42
55	53	Whataburger Inc.	Sept.	0.46	0.45	0.43
56	59	Ryan's Family Steak Houses Inc.	Dec.	0.46	0.40	0.36
57	54	Harry M. Stevens Inc.	Dec.	0.44	0.45	0.45
58	52	Paragon Restaurant Group	Oct.	0.43	0.45	0.40
59	55	Restaurant Associates Industries Inc.	Dec.	0.41	0.43	0.46
60	57	Specialty Restaurants Corp.	July	0.41	0.42	0.43
61	60	Circle K. Corp.	April	0.39	0.39	0.40
62	61	Hilton Hotels Corp.	Dec.	0.38	0.39	0.41
63	63	Gilbert-Robinson Inc.	Dec.	0.38	0.38	0.39
64	65	Horn & Hardart Co.	Dec.	0.36	0.37	0.25
65	64	Krystal Co.	Dec.	0.35	0.37	0.43
66	66	Wyatt Cafeterias Inc.	Dec.	0.34	0.37	0.42
67	62	Holiday Corp.	Dec.	0.34	0.38	0.46
68	70	DWG Corp.	Dec.	0.34	0.32	0.32
69	75	Abela Enterprises Inc.	Dec.	0.33	0.29	0.29
70	71	Show Biz Pizza Time Inc.	Dec.	0.32	0.32	0.30
71	67	F.W. Woolworth Inc.	Jan.	0.31	0.34	0.40
72	72	Unigate Restaurants Inc.	Mar.	0.31	0.31	0.33
73	74	Club Corp. International	Dec.	0.30	0.29	0.30
74	77	Carrols Corp.	Dec.	0.30	0.28	0.31
75	83	Sbarro Inc.	Dec.	0.30	0.24	0.20
76	69	DeNova Corp.	Dec.	0.29	0.32	0.37
77	79	RTM Inc.	May	0.29	0.27	0.25
78	68	Winchell's Donut Houses L.P.	Dec.	0.28	0.33	0.41
79	82	National Pizza Co.	Mar	0.27	0.25	0.23
80	80	Wilshire Restaurant Group	Dec.	0.27	0.26	0.28
81	76	Frisch's Restaurants Inc.	May	0.27	0.29	0.31
82	85	Cracker Barrel Old Country Store Inc.	July	0.27	0.22	0.20
83	100	Pantera's Corp.	June	0.27	0.05	0.08
84	78	Papa Gino's of America	Sept.	0.26	0.27	0.27
85	84	Dunkin' Donuts	Oct.	0.25	0.24	0.25
86	87	TCBY	Nov.	0.23	0.21	0.16
87	94	Buffets Inc.	Dec.	0.22	0.15	0.11
88	81	Rax Restaurants Inc.	July	0.21	0.26	0.29
89	86	Consolidated Products Inc.	Sept.	0.20	0.21	0.23
90	88	Waffle House Inc.	June	0.18	0.19	0.20
91	89	Sybra Inc.	Dec.	0.18	0.17	0.16
92	91	Godfather's Pizza Inc.	May	0.16	0.17	0.22
93	92	Skipper's Inc.	Dec.	0.16	0.17	0.19
94	58	Ramada Inc.	Dec.	0.16	0.41	0.43
95	93	IHOP Corp.	Dec.	0.16	0.15	0.18
96	95	National Convenience Stores	June	0.14	0.14	0.12
97	97	WSMP, Inc.	Feb.	0.11	0.09	0.08
98	96	Carousel Snack Barns of MN, Inc.	May	0.10	0.11	0.11
99	98	Uno Restaurant Corporation	Sept.	0.09	0.07	0.05
100	99	Doctors Associates	Dec.	0.07	0.06	0.05

Source: NRN Research

TOP 100 COMPANIES RANKED BY REVENUE GROWTH

Rank 1989	Rank 1988	Company	Fiscal Year Ends	Percent Change '88 vs.'89	'88 vs.'87
1	99	Pantera's Corp.	June	460.48%	– 26.41%
2	22	Biscuit Investments, Inc.	Oct.	286.63	21.40
3	38	Riese Organization	Dec.	69.34	12.50
4	5	Buffets Inc.	Dec.	58.87	49.59
5	6	Uno Restaurant Corporation	Sept.	41.46	46.30
6	12	Sbarro Inc.	Dec.	35.96	35.07
7	13	WSMP, Inc.	Feb.	35.31	30.25
8	17	Cracker Barrel Old Country Store Inc.	July	32.51	26.39
9	9	Chili's Inc.	June	27.74	39.80
10	11	Doctors Associates	Dec.	25.16	36.56
11	93	Delaware North Cos.	Dec.	25.08	– 4.15
12	41	Disney Corp.	Sept.	24.02	11.48
13	7	TCBY	Nov.	23.98	42.03
14	29	General Mills	May.	23.78	19.17
15	18	Ryan's Family Steak Houses Inc.	Dec.	23.32	25.32
16	36	Abela Enterprises Inc.	Dec.	22.66	14.07
17	10	Little Caesars Enterpises, Inc.	Dec.	22.18	37.78
18	23	Carl Karcher Enterprises Inc.	Jan.	19.96	20.87
19	21	National Pizza Co.	Mar	18.38	21.40
20	74	Imasco Ltd.	Dec.	18.15	3.44
21	39	Domino's Pizza Inc.	May	17.27	12.02
22	35	Chick-fil-A, Inc.	Dec.	17.24	14.29
23	24	RTM Inc.	May	17.19	20.75
24	15	Morrison Inc.	May	16.85	29.69
25	58	Piccadilly Cafeterias Inc.	June	16.79	7.79
26	76	Carrols Corp.	Dec.	16.10	2.69
27	27	Hanson Trust PLC	Sept.	15.83	19.91
28	34	International Dairy Queen Inc.	Nov.	15.34	15.28
29	63	Dunkin' Donuts	Oct.	15.25	6.42
30	37	DWG Corp.	Dec.	14.11	13.01
31	31	Sybra Inc.	Dec.	13.30	17.34
32	33	Pepsico Inc.	Dec.	13.30	15.91
33	32	Bob Evans Farms Inc.	April	13.23	17.29
34	73	Wilshire Restaurant Group	Dec.	12.90	3.68
35	51	Luby's Cafeteria	Aug.	12.07	9.19
36	26	ShowBiz Pizza Time Inc.	Dec.	11.43	20.35
37	44	Club Corp. International	Dec.	11.07	10.24
38	86	IHOP Corp.	Dec.	10.81	– 1.20
39	14	National Convenience Stores	June	10.77	30.00
40	30	Whataburger Inc.	Sept.	10.63	17.63
41	49	Gilbert-Robinson Inc.	Dec.	10.58	9.31
42	52	Hyatt Hotels Corp.	Jan.	10.28	8.75
43	48	Marriott Corp.	Dec.	9.97	9.97
44	69	Carlson Cos.	Dec.	9.85	5.31
45	28	Whataburger Inc.	Sept.	9.68	19.23
46	43	Circle K. Corp.	April	9.20	10.65
47	61	Unigate Restaurants Inc.	Mar.	8.84	6.52
48	67	Onex Corp.	Dec.	8.70	5.79
49	70	Hilton Hotels Corp.	Dec.	8.70	5.11
50	97	Godfather's Pizza Inc.	May	8.70	– 13.43
51	1	Tennessee Restaurant Corp.	Dec.	8.70	416.67
52	3	Horn & Hardart Co.	Dec.	8.61	65.16
53	55	McDonald's Corp.	Dec.	8.06	8.14
54	81	ITT Corp.	Dec.	7.81	0.11
55	46	ARA Services Inc.	Sept.	7.61	10.13
56	85	Skipper's Inc.	Dec.	7.59	– 1.00
57	60	Vicorp Restaurants Inc.	Oct.	7.59	7.04
58	40	Harry M. Stevens Inc.	Dec.	7.58	11.98
59	42	Ogden Corp.	Dec.	7.51	11.24
60	20	Sodexho Corp.	Aug.	7.11	21.62
61	47	Papa Gino's of America	Sept.	7.09	10.03
62	25	Sizzler Restaurants Int'l Inc.	April	7.08	20.66
63	57	Boddie-Noell Enterprises Inc.	Sept.	6.92	7.84
64	71	TGI Friday's Inc.	Jan.	6.80	4.83
65	65	TPI Enterprises	Dec.	6.67	5.88
66	8	TW Services Inc.	Dec.	6.62	41.13
67	66	Furr's/Bishop's Cafeterias	Dec.	6.27	5.82
68	50	Specialty Restaurants Corp.	July	6.00	9.29
69	82	White Castle System Inc.	Dec.	5.91	0.04
70	62	Jerrico Inc.	June	5.81	6.45
71	100	Aoki Corp.	Dec.	5.77	– 38.34
72	83	Wendy's International Inc.	Jan.	5.66	0.00
73	2	Daka International	June	5.56	80.00
74	78	American Restaurant Group	Dec.	5.26	2.04
75	98	Southland Corp.	Dec.	5.02	– 17.62
76	94	Grand Metropolitan PLC	Sept.	5.00	– 7.32
77	64	Restaurant Associates Industries Inc.	Dec.	4.83	6.15
78	54	Waffle House Inc.	June	4.58	8.39
79	4	Foodmaker Inc.	Oct.	4.04	51.60
80	16	Paragon Restaurant Group	Oct.	3.93	29.10
81	77	Greyhound Corp.	Dec.	3.79	2.68
82	91	Krystal Co.	Dec.	3.37	– 3.26
83	72	Consolidated Products Inc.	Sept.	3.36	3.91
84	89	Wyatt Cafeterias Inc.	Dec.	2.74	– 1.79
85	68	Investors Management Corp.	Dec.	2.34	5.62
86	59	Nestle S.A.	Dec.	1.70	7.07
87	75	Frisch's Restaurants Inc.	May	1.53	3.31
88	92	F.W. Woolworth Inc.	Jan.	0.62	– 3.28
89	79	Servam Inc.	March	0.58	1.77
90	19	Elias Bros.	Dec.	0.00	23.08
91	95	Holiday Corp.	Dec.	– 1.10	– 7.53
92	45	Carousel Snack Barns of MN, Inc.	May	– 1.70	10.21
93	87	DeNova Corp.	Dec.	– 2.58	– 1.27
94	80	Metromedia Inc.	Feb.	– 2.63	0.72
95	90	S&A Restaurant Corp.	Oct.	– 3.63	– 2.86
96	53	Collins Foods International Inc.	April	– 4.38	8.52
97	96	Winchell's Donut Houses L.P.	Dec.	– 8.52	– 7.74
98	84	Rax Restaurants Inc.	July	– 9.91	– 0.73
99	88	Restaurant Enterprises Group	Dec.	– 19.03	– 1.40
100	56	Ramada Inc.	Dec.	– 57.69	7.97

Source: NRN Research

FOCUS | TOP 100

DIRECTORY OF TOP 100 CHAINS

Chain	Parent Company	Systemwide Sales Rank 1989	Systemwide Sales Rank 1988	Sales Per Unit Rank 1989	Sales Per Unit Rank 1988	Number of Units Rank 1989	Number of Units Rank 1988
7-Eleven	Southland Corp.	30	30	47	48	2	2
ARA Services (ARA SERV)	ARA Services Inc.	12	12	79	75	15	15
Arby's	DWG Corp.	14	14	70	72	16	17
Bakers Square	Vicorp Inc.	88	89	36	37	83	82
Baskin-Robbins	Allied Lyons PLC	36	36	100	100	14	13
Bennigan's	S&A Restaurant Corp.	42	41	23	20	69	68
Big Boy	Elias Bros	19	18	46	43	26	26
Bob Evans Farms	Bob Evans Farms Inc.	68	66	35	32	70	71
Bonanza Family Restaurants	USA Cafes, L.P.	33	33	54	50	39	38
Burger King	Grand Metropolitan PLC	2	2	43	49	4	4
Canteen	TW Services Inc.	11	11	58	57	19	18
Captain D's Seafood	Shoney's Inc.	50	50	67	68	41	41
Carl's Jr.	Carl Karcher Enterprises Inc.	40	45	51	51	51	51
Carvel	Carvel Corp.	81	79	96	96	30	31
Chick-Fil-A	Chick-fil-A, Inc.	73	76	66	70	55	56
Chili's Grill & Bar	Chili's Inc.	55	65	22	23	77	81
Chi-Chi's	Foodmaker, Inc.	45	42	18	21	73	73
Chuck E. Cheese/Pizza Time Theatre	ShowBiz Pizza Time Inc.	71	64	42	42	63	62
Church's Fried Chicken	Biscuit Investments, Inc.	51	35	94	92	28	21
Circle K	Circle K Corp.	92	91	76	78	8	8
Concession Air	Delaware North Cos.	96	94	4	4	97	97
Dairy Queen	International Dairy Queen	9	9	89	91	7	7
Daka	Daka International Inc.	90	88	81	79	57	58
Del Taco	American Restaurant Group	89	84	77	76	58	57
Denny's	TW Services	13	13	44	44	24	25
Disney Theme Parks	Disney Corp.	37	44	19	18	68	74
Dobbs International/Dobbs Houses	Greyhound Corp.	38	39	40	41	56	55
Domino's	Domino's Pizza Inc.	7	7	88	87	5	6
Dunkin' Donuts	Dunkin' Donuts	21	22	83	83	18	19
El Pollo Loco	Denny's Inc.	85	98	45	46	75	76
El Torito	Restaurant Enterprises Group Inc.	47	46	20	22	76	75
Friendly	Tennessee Restaurant Corp.	34	34	64	66	33	32
Furr's/Bishop's Cafeterias L.P.	Furr's/Bishop's Cafeterias	69	62	28	28	79	79
Godfather's Pizza	Godfather's Pizza Inc.	82	71	90	90	47	43
Golden Corral Family Steakhouse	Investors Management Corp.	41	40	56	56	50	48
Ground Round	Hanson Trust PLC	65	67	34	35	72	69
Hardee's	Imasco Ltd.	4	4	55	53	11	10
Harry M. Stevens	Harry M. Stevens Inc.	83	83	75	77	98	98
Hilton Hotels	Hilton Hotels Corp.	24	23	8	7	62	61
Holiday Inn	Holiday Corp.	31	29	86	86	23	20
Houlihan's	Gilbert-Robinson Inc.	95	95	11	11	95	95
Howard Johnson	Franchise Associates	98	93	60	59	67	67
Hyatt Hotels	Hyatt Hotels Corp.	60	60	6	6	92	92
International House of Pancakes	IHOP Corp.	58	56	63	67	53	53
Jack in the Box	Foodmaker Inc.	23	25	49	55	25	28
Kentucky Fried Chicken	Pepsico Inc.	5	3	74	73	6	5
Krystal	The Krystal Co.	97	96	62	61	66	66
Little Caesars Pizza Inc.	Little Caesar Enterprises,	16	21	91	89	13	14
Long John Silver's	Jerrico Inc.	28	26	80	80	22	22
Luby's Cafeteria	Luby's Cafeterias Inc.	70	68	15	15	88	88
Marie Callender's	Wilshire Restaurant Group	74	77	27	29	82	80
Marriott Food Services Management	Marriott Corp.	8	8	43	45	17	16
Marriott Hotels & Resorts	Marriott Corp.	17	19	21	16	46	52
Marriott In-Flite/Host	Marriott Corp.	22	15	3	3	74	72
Marriott Travel Plazas	Marriott Corp.	62	61	14	12	89	89
McDonald's	McDonald's Corp.	1	1	30	31	1	1
Morrison Custom Management	Morrison Inc.	54	63	95	95	32	33
Morrison's Family Dining	Morrison Inc.	59	57	26	26	78	77
Ogden Allied Leisure Services	Ogden Corp.	77	72	5	5	96	96
Olive Garden	General Mills Inc.	64	99	13	14	85	91
Perkins	Tennessee Restaurant Corp.	43	48	37	39	59	59
Piccadilly Cafeterias	Piccadilly Cafeterias, Inc.	72	74	25	24	87	84
Pizza Hut	Pepsico	3	5	76	81	3	3
Pizza Inn	Pantera's Corp.	52	53	85	85	34	36
Ponderosa Steak Houses	Ponderosa Inc.	29	28	53	47	35	35
Popeye's Famous Fried Chicken & Biscuits	Biscuit Investments Inc.	35	38	71	64	27	34
Quality Inns	Manor Care Inc.	44	43	84	84	31	30
Quincy's Family Steakhouse	TW Services Inc.	78	69	41	40	71	70
Radisson Hotels	Carlson Cos.	76	82	29	27	81	85
Ramada Inn	Ramada Inc.	57	54	69	69	49	49
Rax	Rax Restaurants Inc.	56	49	72	65	48	47
Red Lobster	General Mills	15	16	12	13	54	54
Round Table Pizza	Round Table Pizza	75	70	82	82	43	45
Roy Rogers	Marriott Corp.	32	32	50	52	38	39
Ryan's Family Steak Houses	Ryan's Family Steak Houses Inc.	67	73	24	25	86	86
Sbarro the Italian Eatery	Sbarro Inc.	93	100	68	71	61	64
Seiler Corp.	Sodexho Corp.	80	80	87	82	45	46
Service America	Servam Inc.	20	17	73	62	20	23
Sheraton Hotels	ITT Corp.	18	20	10	9	60	60
Shoney's	Shoney's Inc.	25	24	32	33	37	37
Sizzler Steak Seafood & Salad	Sizzler Restaurants Int'l Inc.	26	27	33	34	40	42
Sky Chefs	Onex Corp.	49	51	1	1	100	99
Sonic Drive-In	Sonic Industries Inc.	48	52	92	93	29	27
Sportservice	Delaware North Cos.	91	87	9	10	94	94
Steak and Ale	S&A Restaurant Corp.	87	81	38	36	80	78
Stuart Anderson's Black Angus	American Restaurant Group	94	92	17	19	93	93
Subway Sandwiches & Salads	Doctors Associates	27	31	99	99	10	11
Taco Bell	Pepsico Inc.	10	10	65	74	12	12
TCBY	TCBY Enterprises Inc.	63	85	98	98	21	24
Tony Roma's	Roma Corp.	79	90	16	17	91	90
T.G.I. Friday's	TGI Friday's Inc.	46	47	7	8	84	83
Village Inn	Vicorp Inc.	84	78	52	54	65	63
Waffle House	Waffle House Inc.	86	86	93	94	42	40
Wendy's	Wendy's International Inc.	6	6	61	63	9	9
Western Sizzlin Restaurants	Western Sizzlin, Inc.	39	37	57	60	44	44
Westin Hotels & Resorts	Aoki Corp.	61	58	2	2	99	100
Whataburger	Whataburger Inc.	53	55	59	58	52	50
White Castle	White Castle System Inc	66	59	39	38	64	65
Woolworth	F.W. Woolworth Inc.	100	75	97	97	36	29
Wyatt Cafeterias	Wyatt Cafeterias Inc.	99	97	31	30	90	87

THE WHO, WHAT, WHEN, WHERE, WHY & HOW OF THE NRN TOP 100

How the rankings came to be — and how readers can use the data

Hundreds of man-hours were expended to maintain the NRN Top 100's reign as the food-service industry's most reliable sales ranking. What's more, several new procedures and criteria were adapted this year to enhance the data's usefulness.

The project began in January with an effort to identify the industry's major players. The reporters and editors of Nation's Restaurant News, using figures from recent years as a yardstick, pared down a universe of several thousand food-service chains and companies to a few hundred dominant performers.

Those operators were canvassed for several months, first by mail and then by telephone, for such detailed information as systemwide sales, the averge intake per unit, and the number of restaurants. The information was sought for fiscal 1989 and the prior two fiscal years. In the majority of cases, respondents were asked to project numbers because their fiscal 1989 was still in progress.

Companies were asked to specify their food-service revenues, which differ greatly from systemwide sales within the context of the Top 100. Revenues consist of sales from company-operated restaurants, franchise royalties, and proceeds from real-estate divestitures or other routine asset sales. Excluded were sales totals of franchised units.

Systemwide sales encompass the sales of every domestic unit or operation within a chain or multi-unit operation, such as a contract feeder. Usually, systemwide sales match company revenues only in instances where an operation does not have franchised outlets.

A heightened effort was undertaken this year to filter out such data as distribution revenues, merchandise sales, and proceeds from the sale of food products via supermarket shelves.

Similarly, extra care was taken to exclude the intake of foreign units from systemwide sales tallies.

The raw data supplied by operators were supplemented with input from financial analysts, industry studies, and reams of government filings. NRN also rifled its extensive clip files for historical data that could form a sound base for projecting figures.

Top 100 Rankings

Chains:

By systemwide sales . . . F13-F14
By number of units F20
By sales per unit F20
By market share F25
By growth in unit totals F25
By growth in systemwide sales F29

Companies:

By fiscal revenues F17-F18
By market share F30
By revenue growth F30

When NRN staffers estimated or projected a figure for a company, that concern was given an opportunity to correct the number.

The information gathered in NRN's six editorial offices was funneled into the newspaper's New York headquarters, where the statistics were reviewed again before being collated.

During July the numbers were "crunched" to generate 47 charts, with rankings based on such criteria as average unit sales, sales growth, and expansion.

The heart of the analysis is the Top 100 Chains, a list of the 100 largest food-service networks as determined by systemwide sales.

The Top 100 chains were also ranked by number of units, sales per unit, market share, year-to-year growth in systemwide sales, and year-to-year growth in number of units.

Each chain's ranking on those lists can be quickly pinpointed by looking at the Top 100 Directory (left).

Companies, as opposed to chains, were ranked by their food-service revenues for fiscal 1989. The concerns were also ranked by market share and year-to-year revenue growth.

Figures were extrapolated from the Top 100 Chains list to statistically profile the top players within several major market segments. Included for each sector are rankings based on systemwide sales, sales per unit, number of units, and market share.

Complementing the segment data are in-depth analyses of the top competitors and their strategies for boosting sales and market share.

BURGER GIANTS SINGED BY BATTLE

In a year of soft growth and fierce competition, operators are embracing lighter menu items, unconventional sites, and overseas expansion

By Rajan Chaudhry

With spatulas drawn, top burger and sandwich chains are locked in a fierce struggle for the street corners of America.

"This group is doing battle with a very soft year," says George Rice, chairman of the food-service consulting firm GDR Enterprises Inc. "Through May we've had three out of four quarters with negative traffic, and I don't foresee the summer being an awful lot better.

"We're looking at very small levels of growth, customer count increases of maybe 1 to 2 percent, and many chains with declines."

Operators agree it's kill or be killed.

"The segment is increasingly competitive," notes Ted Murphy, vice president of Chattanooga, Tenn.-based Krystal. "Every industry goes through that cycle of growth and go-go, and eventually you get up to a point where the pie stops expanding and you're fighting for share."

Bloodied and reeling from intense competition, burger chain operators are striving to develop non-traditional sites, build breakfast and dinner business, improve operations with labor- and time-saving technology, exploit trends toward healthful eating and take-out, and boost unit sales with new products and better service.

And top chains — including McDonald's, Wendy's, Arby's, and White Castle — seek greener pastures overseas to recapture some of their heady growth of years past.

Operators are also bringing the full weight of their marketing arsenals to bear on consumers, bombarding them with advertising, firing bursts of short-term promotional items, and laying down a cover fire of coupon specials.

"The consumer has lots of choices, and they are increasing," Rice says.

The toll, of course, is heaviest on the smaller chains, which often don't have the market penetration and marketing firepower to create top-of-mind awareness.

With expansion growing more difficult, both Whataburger and Carl's Jr. have indicated that acquiring small chains or clusters of units is essential for their continued growth.

"Acquisition of a small chain is about the only way we could go into new markets, where we could get enough restaurants quickly enough in order to make some impact," Jim. L. Peterson, president and chief executive of Whataburger Inc., said in a recent interview.

And Carl Karcher Enterprises Inc., parent company of Carl's Jr., recently landed in court with Wendy's after buying 10 Denver-area Wendy's for conversion to Carl's Jrs.

Krystal is taking another approach to expansion with plans to open its first franchised unit — a drive-thru-only version of its concept — later this year.

The drive-thru-only units will feature a new building design and offer a limited menu comprising Krystals hamburgers, fries, drinks, and its new breakfast sandwich, the Sunriser.

With the deck stacked in favor of the big chains, Rice says he expects to see some small and not-so-small operations flip their last burgers.

"We definitely will have some chain failures in the next few years," Rice explains. "Those chain failures will be the result of some combination of three things.

"The company will not be well positioned. It will not have a good strong market penetration on a market-by market basis. Or it will be financially leveraged. Some of these leveraged buyout situations are absolute fodder for failure."

Operators turn to non-traditional sites

While traditional freestanding units will continue to make up the lion's share of chain expansion, an effort is under way in the quick-service hamburger segment to bring restaurants closer to where people work and play.

With that in mind, operators are increasingly seeking to build units in hospitals, in schools, in office buildings, in department stores, in movie theaters, in gas stations, in airports, at railroad stations, at military bases, at ballparks, and along tollroads.

Whataburger, for example, which has one outlet at the Corpus Christi (Texas) Naval Air Station, is looking to build additional units inside government installations and colleges.

And Arby's is developing a half-dozen truck stop units with Pilot Oil as well as building units in Days Inns.

At McDonald's non-traditional sites will account for about 10 percent of total locations this year, up from 8.5 percent five years ago.

And Roy Rogers and Burger King are finding that combining concepts under one roof — as Marriott Corp. does in its travel plazas and the Riese Organization does in its New York food courts — helps offset the high costs of prime sites.

Advances in site modeling are also making it possible to exploit opportunities — such as locations in small towns along well-traveled roads — that just a few years ago would have been overlooked.

Oak Brook, Ill.-based McDonald's, for example, goes so far as to use spy-satellite photos to pinpoint potential sites.

And several chains — Burger King and White Castle among them — have found that the best way to bring the restaurant closer to the customer is to put it on wheels.

When the tanker Exxon Valdez spilled a quarter of a million barrels of crude oil into Prince William Sound, Alaska, in March, a Burger King mobile unit was on hand to feed hungry cleanup crews.

And Columbus, Ohio-based White

*(See **HAMBURGERS**, page F61)*

HAMBURGER CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1989	1988	1987
1	1	McDonald's	Dec.	$12,360.0	$11,380.0	$10,580.0
2	2	Burger King	May	5110.0	4840.0	4590.0
3	3	Hardee's	Dec.	3,040.0	2810.0	2,600.0
4	4	Wendy's	Jan.	2,860.0	2720.0	2,700.0
5	5	Jack in the Box	Oct.	875.0	775.0	655.0
6	6	Roy Rogers	Dec.	620.0	575.0	525.0
7	7	Carl's Jr.	Jan.	480.6	399.3	345.0
8	8	Sonic Drive-In	Aug.	390.0	341.1	306.4
9	9	Whataburger	Sept.	340.0	310.0	260.0
10	10	White Castle	Dec.	299.4	282.7	282.6
11	11	Krystal	Dec.	184.0	178.0	184.0
		TOTAL:		$26,559.0	$24,611.1	$23,028.0

Source: NRN Research

HAMBURGER CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share		
				1989	1988	1987
1	1	McDonald's	Dec.	46.54%	46.24%	45.94%
2	2	Burger King	May	19.24	19.67	19.93
3	3	Hardee's	Dec.	11.45	11.42	11.29
4	4	Wendy's	Jan.	10.77	11.05	11.72
5	5	Jack in the Box	Oct.	3.29	3.15	2.84
6	6	Roy Rogers	Dec.	2.33	2.34	2.28
7	7	Carl's Jr.	Jan.	1.81	1.62	1.50
8	8	Sonic Drive-In	Aug.	1.47	1.39	1.33
9	9	Whataburger	Sept.	1.28	1.26	1.13
10	10	White Castle	Dec.	1.13	1.15	1.23
11	11	Krystal	Dec.	0.69	0.72	0.80

Source: NRN Research

HAMBURGER CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units		
				1989	1988	1987
1	1	McDonald's	Dec.	8,276	7,907	7,567
2	2	Burger King	Sept.	5,361	5,020	4,701
3	3	Wendy's	Jan.	3,697	3,521	3,582
4	4	Hardee's	Dec.	3,327	3,110	2,912
5	6	Jack in the Box	Oct.	1,031	966	897
6	5	Sonic Drive-In	Aug.	1,000	980	955
7	7	Roy Rogers	Dec.	660	606	556
8	9	Carl's Jr.	Jan.	482	443	436
9	8	Whataburger	Sept.	480	470	445
10	10	White Castle	Dec.	250	235	229
11	11	Krystal	Dec.	233	232	243
		TOTAL:		24,797	23,490	22,523

Source: NRN Research

HAMBURGER CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1989	1988	1987
1	1	McDonald's	Dec.	$1,600.0	$1,500.0	$1,500.0
2	2	White Castle	Dec.	1,250.0	1,240.0	1,260.0
3	3	Burger King	Sept.	1,050.0	1,000.0	1,020.0
4	4	Carl's Jr.	Jan.	1,000.0	939.8	772.0
5	5	Roy Rogers	Dec.	1,000.0	935.0	900.0
6	7	Jack in the Box	Oct.	1,000.0	903.0	797.0
7	6	Hardee's	Dec.	964.0	920.0	877.0
8	8	Whataburger	Sept.	850.0	840.0	800.0
9	10	Wendy's	Jan.	797.0	759.0	741.0
10	9	Krystal	Dec.	790.0	765.0	765.0
11	11	Sonic Drive-In	Aug.	395.0	356.0	320.5
		AVERAGE:		$ 972.4	$ 923.4	$ 886.6

Source: NRN Research

COMPETITION BURNS PIZZAMAKERS

As top pizza chains vie for a larger slice of the pie, executives predict that the Big Three powerhouses will elbow weaker players out of the game

By Milford Prewitt

A major player's decision to cash in its restaurants underscores the fierceness of the market-share battle being waged in the $8.2billion pizza segment.

Systemwide sales at Pizza Inn, the No. 4 pizza chain, are expected to top $344 million this year. But the system's operator, Dallas-based Pantera's Corp., is facing the prospect of selling restaurants to pay bills.

While some of Pantera's travails can be traced back two years ago to its $48 million purchase of Pizza Inn — a company with 10 times the sales volume and three times the unit count of Pantera's — few would dispute the market pressures of the industry as a co-conspirator.

With two-for-one price discounts pervasive among the three pizza giants — Pizza Hut, Domino's, and Little Caesars, whose combined volume accounts for 80 percent of the Top 100 pizza segment sales — some see Pantera's as a sign that a shakeout is on the way.

"You pick up a newspaper, and the discount ads are all over the place," says Richard Frank, chief executive officer of Show Biz Pizza Time Inc. "It makes pretty tough competition from a pricing standpoint, and from the impact it has on margins. I think there's going to be some kind of a shakeout over time."

Herman Cain, president of Godfather's Pizza, agrees.

"The major challenge facing the pizza segment is just the continued competitiveness and shakeout that's going to take place," Cain says. "I think it's healthy.

"There are just too many pizza companies out there, and God bless them, but some of us are going to have to go away," he adds. "But I assure you that when the dust settles, Godfather's will still be selling pizza."

To some industry observers and participants, the industry's competitiveness is a sign of a healthy segment whose fortunes are destined to get better.

"It's our perception that the pizza segment is quite healthy," says Nancy Kruse, a principle of Technomic, a Chicago-based food-service research and consulting firm. "What's happening today in the pizza segment is a natural growth stage, but I don't see a major shakeout.

"There are always marginal operations in all segments of business, and those are the companies that are the most at risk when a shakeout begins," she says.

Anything but marginal, Domino's Pizza, with its roaring special discounts and marketing muscle, unabashedly is continuing to exert competitive pressure from its vaunted position as the segment's second-largest company.

The chain's sales volume is expected to top $2.6 billion in 1989 from more than 5,000 units systemwide.

"We've said all along that our focus is on market share," said Ron Hingst, a Domino's representative.

"To us, that is the key to our growth and success. We intend to attract new customers with our prices and keep them, and we're going to continue to do that."

While perennial segment leader Pizza Hut and third-place contender Little Caesar's waged a battle of the titans in the courtroom over trademark infringements on promotional phrases, Domino's blindsided them both with its earlier-than-expected rollout of deep-dish pizza, its first new menu item since the company's founding.

But the two-for-one battle that has consumed the titans and played havoc with the margins of others is one that will not go away anytime soon, Cain believes.

"The two-for-one phenomenon in the pizza segment is here to stay," he says. "However, I do not believe that a two-for-one alone will be the key to success because there are a lot of people who like to buy a single pizza.

"But what has happened with this two-for-one," he says, "is that it has added a permanent marketing tactic to our segment to the extent that it has become a vehicle business needs in order to compete."

Cain's allusion to a state of siege by the two-for-one promotion is a permanent way of doing business for Little Caesars, and it will not abate, says Lisa Ilitch Murray, a company representative.

"It's important to note that we've had the pizza-pizza concept since 1976," says Ilitch Murray. "When you talk to consumers about value, it's defined as quality and good price.

"So those promotions are a permanent part of Little Caesars. It's a normal way of business for us; it's nothing new."

Pressured by the Big Three, smaller pizza chains are looking to refine their market niche in order to accent what they do best.

Frank, whose Showbiz Pizza Time went public in January after breaking away from former parent Integra, is confident his company will remain one of the survivors. He is bolstered in his view by Showbiz Pizza Time's posting of the segment's highest sales per unit — $1.2 million — for the third

*(See **PIZZA**, page F69)*

PIZZA CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year in millions) 1989	1988	1987
1	1	Pizza Hut	Jan.	$3,100.0	$2,800.0	$2,200.0
2	2	Domino's	May	2,600.0	2,300.0	1,900.0
3	3	Little Caesars Pizza	Dec.	1,200.0	908.0	725.0
4	4	Pizza Inn	June	344.0	330.0	310.0
5	5	Chuck E. Cheese/ Pizza Time Theatre	Dec.	278.0	260.9	239.1
6	6	Round Table Pizza	June	265.0	250.0	250.0
7	7	Godfather's Pizza	May	236.0	245.0	261.0
8	8	Sbarro the Italian Eatery	Dec.	200.0	154.4	116.3
		TOTAL:		$8,223.0	$7,248.3	$6,001.4

Source: NRN Research

PIZZA CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1988	1987
1	1	Pizza Hut	Jan.	37.70%	38.63%	36.66%
2	2	Domino's	May	31.62	31.73	31.66
3	3	Little Caesars Pizza	Dec.	14.59	12.53	12.08
4	4	Pizza Inn	June	4.18	4.55	5.17
5	5	Chuck E. Cheese/ Pizza Time Theatre	Dec.	3.38	3.60	3.98
6	6	Round Table Pizza	June	3.22	3.45	4.17
7	7	Godfather's Pizza	May	2.87	3.38	4.35
8	8	Sbarro the Italian Eatery	Dec.	2.43	2.13	1.94

Source: NRN Research

PIZZA CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	Pizza Hut	Jan.	6,050	5,707	5,394
2	2	Domino's	May	5,008	4,893	4,279
3	3	Little Caesars Pizza	Dec.	2,747	2,180	1,308
4	4	Pizza Inn	June	758	666	677
5	6	Round Table Pizza	June	550	530	520
6	5	Godfather's Pizza	May	523	580	605
7	8	Sbarro the Italian Eatery	Dec.	316	253	190
8	7	Chuck E. Cheese/ Pizza Time Theatre	Dec.	258	258	262
		TOTAL:		16,210	15,067	13,235

Source: NRN Research

PIZZA CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year in thousands) 1989	1988	1987
1	1	Chuck E. Cheese/ Pizza Time Theatre	Dec.	$1,187.4	$1,109.8	$1,036.9
2	2	Sbarro the Italian Eatery	Dec.	657.0	619.0	605.0
3	3	Pizza Hut	Jan.	572.0	520.0	490.0
4	4	Round Table Pizza	June	500.0	490.0	480.0
5	5	Pizza Inn	June	468.0	450.0	430.0
6	6	Domino's	May	441.0	439.0	432.0
7	8	Godfather's Pizza	May	440.0	414.0	410.0
8	7	Little Caesars Pizza	Dec.	428.0	421.0	398.4
		AVERAGE:		$ 586.7	$ 557.9	$ 535.3

Source: NRN Research

Pizza Hut is one of the nation's top three pizza chains.

FEATHERS FLY IN CHICKEN MARKET

Poultry specialists squawking over heightened competition and runaway prices hatched by burger giants' flock of new chicken sandwiches

By Jack Hayes

As if a soft economy and internal competition weren't enough to straighten the tail feathers of the nation's leading chicken chains, along come new sandwiches from quick-service competitors to pluck the segment's growth and profit opportunities.

Add the hen-house raid that came when Church's and Popeyes — the former second and third roosters of the business — swapped places in a stunning buyout early this year, and even the identity of the chicken segment begins to scramble like a duck egg.

"We're looking at a business broken into three parts," says George Rice of GDR enterprises, a group that researches eating share trends. He contends that the market has been fractured into three segments: fried-chicken-by-the-piece, chicken sandwiches, and non-fried-chicken.

Rice feels the chains reliant on chicken sandwiches have been hurting since the nationwide rollout of products like McDonald's McChicken, Burger King's Chicken International, Hardee's Chicken & Biscuit, and Arby's Chicken Cordon Bleu.

"Fighting McDonald's, Burger King, and Hardee's is no picnic," claims Rice, who says chicken operations' patrons have been lured off to sample the newest chicken sandwiches from the burger world.

If nothing else, the headlong rush into the chicken market by virtually all of the nation's quick-service chains has wrought temporary havoc with the supply and price of the main product.

"We've had some escalation since the McDonald's introduction," admits John Bifone, president of Charlotte, N.C.-based Bojangles' Chicken & Biscuits, the 151-unit regional chain owned by H & H Restaurant Corp.

Despite the stunning growth expected for operators like La Mirada, Calif.-based El Pollo Loco and Atlanta-based Chick-fil-A, the chicken segment as a whole will have an exceptionally flat year.

From distant leader Kentucky Fried Chicken, whose U.S. presence in 1989 may pass 5,000 stores, to tiny El Pollo Loco, with a system totaling only 200 units, the chicken segment's five largest chains will finish this year with only 19 more restaurants than they had in 1988: 7,665 vs. 7,646.

The main blame for that falls on the shrinkage of Church's Fried Chicken, which is now a subsidiary of Popeyes' parent, Biscuits investments. The chain is collapsing to 1,028 stores from a previous tally of 1,481.

Even though some 315 of the former Church's units are being converted to Popeyes in the wake of the struggling chain's dramatic pursuit and capture, the effort still leaves 138 fewer stores between the No. 2 and No. 3 chicken chains.

And although segment giant KFC plans to open about 100 domestic units in 1989, for a gain of 2 percent, it appears more interested in feathering its nest with increased unit sales than in expanding.

Grandy's, a Lewisville, Texas-based operation owned by American Restaurant Group, expects to have 218 chicken units by year-end. It has restructured management so that key personnel report to operations.

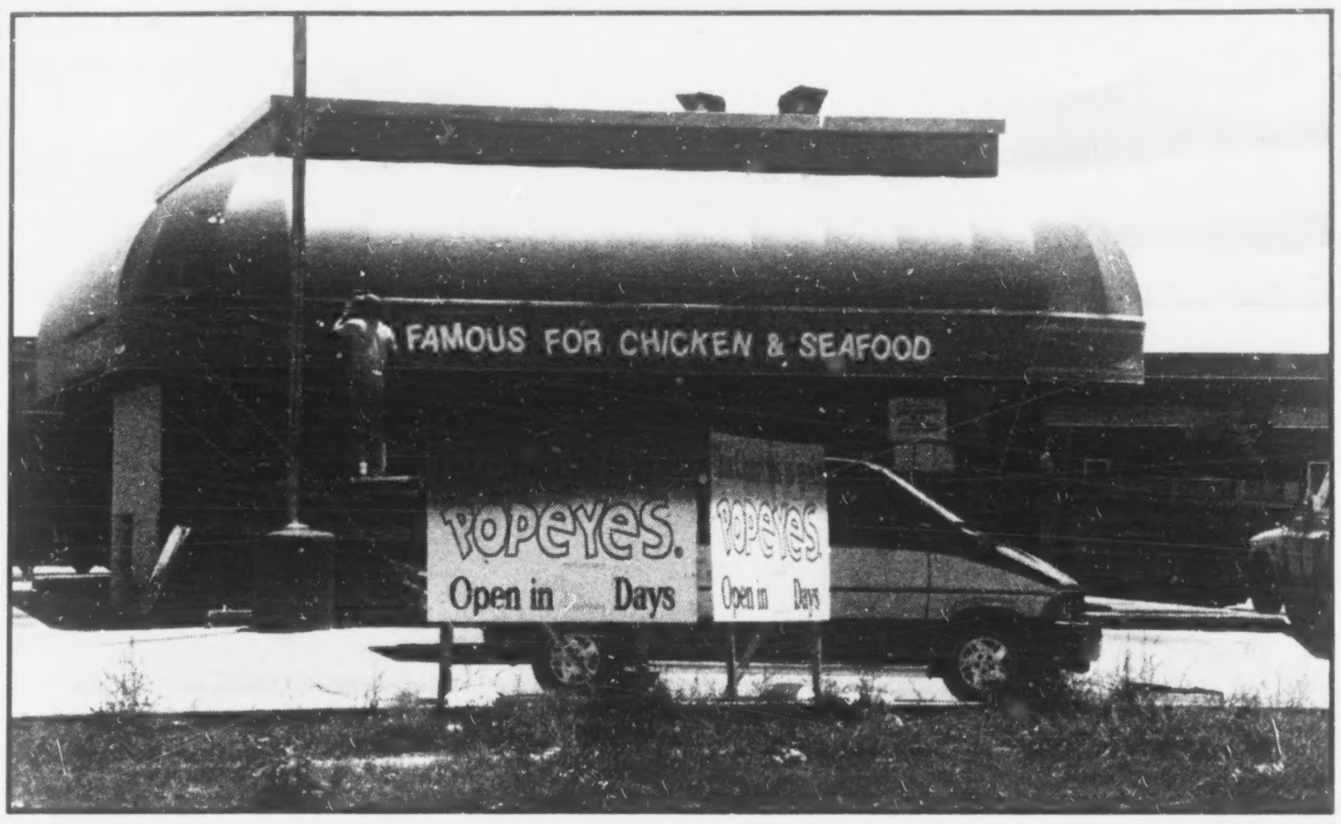
"This is an operational business," says Bob Speck, Grandy's chief operating officer. "We want everything -- R & D, purchasing, training, human resources, and construction — to have operating influence."

Aside from installing a new headset point-of-sale system to speed drive-thru service and reduce waste, KFC is attacking a neglected lunch daypart with its new chicken sandwich test.

And, obviously impressed by the momentum of operators like El Pollo Loco, the grilled-chicken specialist that plans to grow this year to 200 stores averaging $1.1 million each, KFC is closely monitoring the non-fried market. The Pepsico-owned chain has been testing a grilled product in selected markets.

"The classic [fried-chicken-by-the-piece] category isn't doing so badly," says GDR's Rice. The "non-fried" group, although doing well, is hardly big enough yet to be called a separate concept area though, he adds.

KFC is updating its units, such as this one in Louisville, Ky.



NRN Photos

In the wake of the chain's recent struggle, some 315 Church's units are being converted to Popeyes Chicken.

CHICKEN CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions)		
				1989	1988	1987
1	1	Kentucky Fried Chicken	Dec.	$3,000.0	$2,900.0	$2,700.0
2	3	Popeye's Famous Fried Chicken & Biscuits	Oct.	590.0	477.0	460.0
3	2	Church's Fried Chicken	Dec.	359.8	559.3	533.9
4	4	Chick-Fil-A	Dec.	268.0	230.0	202.0
5	5	El Pollo Loco	Dec.	220.0	173.0	115.0
		TOTAL:		$4,437.8	$4,339.3	$4,010.9

Source: NRN Research

CHICKEN CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units		
				1989	1988	1987
1	1	Kentucky Fried Chicken	Dec.	4,997	4,899	4,814
2	3	Popeye's Famous Fried Chicken & Biscuits	Oct.	1,030	715	675
3	2	Church's Fried Chicken	Dec.	1,028	1,481	1,495
4	4	Chick-Fil-A	Dec.	410	386	363
5	5	El Pollo Loco	Dec.	200	165	115
		TOTAL:		7,665	7,646	7,462

Source: NRN Research

CHICKEN CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands)		
				1989	1988	1987
1	1	El Pollo Loco	Dec.	$1,100.0	$1,050.0	$1,000.0
2	3	Chick-Fil-A	Dec.	662.0	622.0	575.0
3	2	Popeye's Famous Fried Chicken & Biscuits	Oct.	630.0	725.0	710.0
4	4	Kentucky Fried Chicken	Dec.	600.4	597.0	558.0
5	5	Church's Fried Chicken	Dec.	350.0	377.7	357.1
		AVERAGE:		$ 668.5	$ 674.3	$ 640.0

Source: NRN Research

CHICKEN CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share		
				1989	1988	1987
1	1	Kentucky Fried Chicken	Dec.	67.60%	66.83%	67.32%
2	3	Popeye's Famous Fried Chicken & Biscuits	Oct.	13.29	10.99	11.47
3	2	Church's Fried Chicken	Dec.	8.11	12.89	13.31
4	4	Chick-Fil-A	Dec.	6.04	5.30	5.04
5	5	El Pollo Loco	Dec.	4.96	3.99	2.87

Source: NRN Research

CAFETERIAS EXPLORE NEW TURF

Segment leaders are expanding into east and west markets, polishing new concepts, sharpening ad campaigns, and revving up take-out services

By Tracey Taylor Woodard

While customer counts remain relatively flat at cafeteria chains this year, their parent companies have continued to expand, diversify, and evolve.

Still meeting stubborn resistance at the Mason-Dixon line, the chains looked east and west rather than north. Next year's plans call for Luby's to join Piccadilly and Morrison in Florida, while Furr's and Wyatt continue to seek their fortunes in the California market.

On other fronts, segment-leader Morrison is planning to expand its 12-unit Sadie's Buffet concept, as Piccadilly researches possibilities for its newly acquired six-unit Ralph & Kacoo's seafood chain. Furr's/Bishop's has slowed its cafeteria expansion to a crawl to create a specialty division for the sole purpose of expanding two-unit Furr's Pie Kitchen and creating other restaurant concepts.

Executives at Wyatt Cafeterias, which was sold to an employee stock ownership plan in the fall of 1988, spent most of the year educating employees and stockholders rather than building cafeterias.

And all five of the major chains are bowing to a convenience-minded generation by concentrating on take-out. Chains are experimenting with separate entrances, adding and designing drive-thrus and even building stand-alone units with no seating.

Here's a closer look at what each chain has in store for the coming year.

Furr's/Bishop's seeks alternatives

Executives of Lubbock, Texas-based Furr's/Bishop's Cafeterias L.P. plan to spend the next year concentrating on a new subsidiary of the company that will develop non-cafeteria operations.

"We're not actively expanding our cafeterias," says Don Fritz, president and chief operating officer of the 157-unit chain, "but we're not turning our back on them either."

Fritz says that most Furr's Cafeterias now serve a dual purpose, with the "all-you-can-eat" concept available in 95 of the units. Customers declare at the start of the serving line whether they want the à la carte price or the all-you-can-eat special. All-you-can-eat runs $4.49 at lunch and $5.29 at dinner. After passing through the line, all-you-can-eat customers are able to get seconds at a "reorder table" set up in the dining room.

"Customer counts for the company are up 8 percent," Fritz notes. "And the all-you-can-eat has been most helpful."

Fritz explains that the company plans to add two or three Furr's next year, mostly "backfilling" into markets they're already in. He adds that the 11 units in California were coming along nicely, and Bishop's continues to hold its own in the north.

The company has not raised menu prices this year, he says, except for sporadic increases on a few individual items.

Furr's helped lead the cafeteria segment's push into take-out with a double-drive-thru unit it opened earlier this year in its hometown of Lubbock.

"It's doing quite nicely," Fritz says of the side-by-side drive-thru lanes that were added to an existing cafeteria. "We're not in any great rush to expand it, though; we're still refining it."

He did say, however, that the company is currently working on another drive-thru unit for the Dallas-Fort Worth area.

The company's new subsidiary, called Furr's/Bishop's Specialty Group L.P., will expand the Furr's Pie Kitchen & Restaurant concept, design new restaurant formats internally, and shop for new operations, according to C. Kenneth Turner, the Furr's/Bishop's vice president of strategic planning and treasurer and president of the new group.

CAFETERIA CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions) 1989	1988	1987
1	1	Morrison's Family Dining	June	$320.0	$291.0	$278.0
2	2	Furr's Bishop's Cafeterias	Dec.	288.0	271.0	256.2
3	3	Luby's Cafeteria	Aug.	285.0	254.3	232.9
4	4	Piccadilly Cafeterias	June	274.0	234.6	217.5
5	5	Wyatt Cafeterias	Dec.	180.1	175.3	178.0
		TOTAL:		$1,347.1	$1,226.2	$1,162.6

Source: NRN Research

CAFETERIA CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1988	1987
1	1	Morrison's Family Dining	May	23.75%	23.73%	23.91%
2	2	Furr's/Bishop's Cafeterias	Dec.	21.38	22.10	22.04
3	3	Luby's Cafeteria	Aug.	21.16	20.74	20.03
4	4	Piccadilly Cafeterias	June	20.34	19.13	18.71
5	5	Wyatt Cafeterias	Dec.	13.37	14.30	15.31

Source: NRN Research

As part of the diversification, Turner says, some existing Furr's/Bishop's cafeterias will be converted to new concepts.

Furr's currently operates two Pie Kitchens, both in Lubbock.

Luby's: Florida bound

Luby's will start its fiscal 1989 with its first foray into Florida, notes John Lahourcade, chairman and chief executive officer of the 124-unit, San Antonio, Texas-based chain.

"The Florida market looks pretty good to us," he explains. "Morrison and Piccadilly do well there, and we thought we ought to start looking there."

Lahourcade says the company has no plans to follow Furr's and Wyatt to California, however. In fact, he says, most expansion will continue in the chain's home state of Texas, with 11 of the 12 planned for 1990 there.

And, he says, Luby's doesn't worry about cannibalization.

"We feel quality wins out in the long run," he explains, "and we're prepared to withstand the onslaught of all-you-can-eat and other specials. Fast-food has found out that couponing is a tough program. We're confident that we can hold on without resorting to it. Mr. Luby always used to say, 'Everybody ought to know what their food is worth.'"

Luby's is aggressively developing its Food-To-Go program, remodeling old stores and building all new stores with separate entrances. Lahourcade says stores with the remodeling have increased take-out sales by an average of 50 percent. Food-To-Go represents about 4 to 6 percent of total sales, he notes.

The drive-thru unit recently opened in San Antonio, Texas, is working "really well," Lahourcade says, with Food-To-Go sales up to 12 percent at that store.

"We'll put the drive-thru where we have the opportunity to do it," he says. "But the space and the neighborhood has to be just right for it."

The company raised prices 4 percent in March, mostly as a result of fixed costs, Lahourcade says. He specifically cites the current worker's compensation situation in Texas, where 85 percent of Luby's cafeterias operate, as a problem.

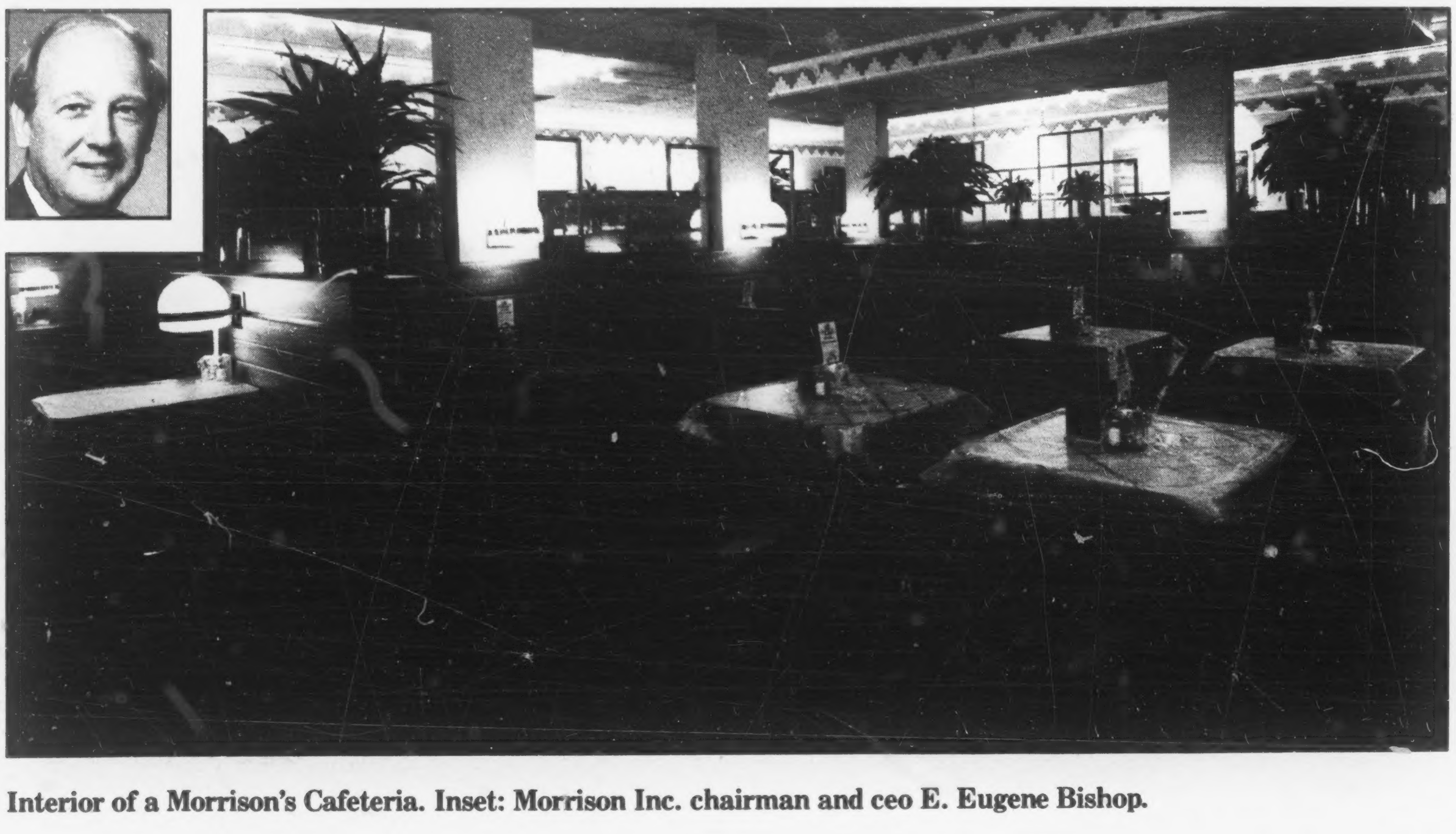
"We're devoting an awful lot of time to safety programs," he says. "And we've had good success this year in lowering our accident rate, but it takes time to be reflected in the premium."

When asked if Luby's was considering any other business than the cafeteria business, Lahourcade laughs.

"[The other cafeteria chains] are diverisfying because they've run out of ideas to run cafeterias," he says. "We don't feel we have. We'll leave the fancy restaurant to somebody else.

"The cafeteria business is what brung

*(See **CAFETERIAS**, page F81)*



Interior of a Morrison's Cafeteria. Inset: Morrison Inc. chairman and ceo E. Eugene Bishop.

DINNER HOUSES REBOUND

Major chains resume expansion drives after rebuilding per-unit averages with menu changes, remodeling, and intensified marketing efforts

By Carolyn Walkup

The leading dinner-house chains are resuming expansion after a retrenchment period that paid off in increased unit sales.

T.G.I. Friday's, Houlihan's, Chili's, Chi-Chi's, Red Lobster, and Olive Garden are leading the growth binge. Bennigan's is concentrating on fine-tuning existing operations following S & A Restaurants' management-led acquisition from Grand Met. The leveraged buyout left no cash for expansion.

Those chains showing the strongest projected sales per unit in fiscal 1989 are T.G.I. Friday's, with an average of $3.2 million per restaurant; Houlihan's, $2.9 million; and Red Lobster, $2.8 million. In most cases only a small percentage of the sales increases came from menu-price hikes, executives said.

"We believe the maturing of the population and other demographic factors will work to the benefit of dinner-house restaurants," says Joe Lee, president of General Mills Restaurants, which operates Red Lobster and Olive Garden. General Mills plans to add a total of 105 units to both chains this year in North America. New Olive Gardens are opening at an incredible rate of one per week.

General Mills' five-year goal for Olive Garden is to more than double the chain's size to 350 units, propelling sales in the United States and Canada to a projected $1 billion. The first Canadian unit will open next year.

Chili's is continuing its rapid expansion, with plans to add about 25 company-owned and 10 franchised or joint-venture units in the coming year, according to Jim Parish, executive vice president and chief financial officer. "This will be the sixth year of increases in comparable store sales," he notes, citing growth of 5 percent for fiscal 1989.

Coming out of a three-year turnaround period and ending its first full year as a Foodmaker subsidiary, Chi-Chi's increased comparable store sales by more than 5 percent and opened 12 new stores. Chi-Chi's plans to open 20 new company-owned locations and two or three franchised ones in the next fiscal year, primarily in the Midwest and Northeast, says president Hal Smith.

The new units will open in smaller buildings in smaller cities "to fill in existing markets," Smith says.

Other segment leaders plan more modest growth of roughly 10 to 15 units this year. "This past year sales finally turned around, and that really bodes well for 1989 and going forward," says Richard Rivera, TGI Friday's chief executive. Friday's expansion strategy is to concentrate on franchising and to sell more of its company-owned restaurants to franchisees.

Franchisees who purchase company-owned restaurants agree to develop territories in areas where Friday's has a limited presence, such as in the Midwest.

There are many urban and suburban markets where Friday's plans to increase its presence further, including the Northeast, California, Florida, and Chicago, Rivera notes. He adds that the chain will open both both company-owned and franchised stores.

Houlihan's expects to add about 10 units this year, mostly in the Northeast, through the efforts of the Riese Organization, which now owns 40 percent of the stock of Houlihan's parent, Gilbert-Robinson. Per-unit sales increased year-to-year by 5.9 percent in 1988, according to Frederick Hipp, Houlihan's president.

Executives credited their chain's per-unit sales gains to enhanced marketing efforts, particularly an effort to keep repeat customers. "We will be focusing on keeping price-value perception very high and being sure the customer is right every time," explains Chili's Parish.

Red Lobster cites remodeling and the addition of non-fried items as the key reason why the chain has increased sales per unit consistently since 1985. Per-unit sales increased from $2.7 million in fiscal 1988 to $2.8 million in fiscal 1989.

Simplifying the broad menu at Friday's "to make it easier for the guest to deal with" and running a successful radio campaign are two primary reasons why the chain's per-unit sales increased from $3 to $3.2 million, Rivera says. That increase marked the first rise of any consequence since 1982.

In Hipp's analysis Houlihan's per-unit sales gains were helped "by doing a better job than people who compete against the concept. Some of our competitors deteriorated in 1987 and 1988. We picked up some market share."

Bennigan's, meanwhile, has shown flat and slightly falling per-unit sales over the past few years. The chain plans to continue efforts to improve "the quality of operations and guest services to get frequent users to come back more" and to attract new customers, according to Greg Sellers, Bennigan's concept analyst.

While Chili's has doubled its number of units since 1986, it also has broadened its menu in an effort to lure a broader customer base. Salads were added to attract more women, and children's menus were adopted to draw families, Parish notes. "Our market share is gaining," he observes.

Chili's will concentrate its immediate expansion in California, Florida, and the Midwest, Parish says, and it will continue to market the restaurant to the 23-to-50 age group.

To be sure, not every chain in the segment is planning to grow by leaps and bounds. El Torito expects to have four more units in operation by the end of its fiscal year. Ground Round plans six more restaurants, and Stuart Anderson's anticipates adding only one more outlet.

Steak & Ale ended up with three fewer restaurants this year than last.

Officers of leading dinner-house chains expressed few fears for the coming year, discounting predictions of a looming recession. Rivera says he and his Friday's associates are "somewhat concerned about government legislation and economic conditions," with emphasis on the former.

"If there is a major recession, we will see a dip in sales," Hipp says. "But one or two quarters won't affect business."

DINNER-HOUSE CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year in millions) 1989	1988	1987
1	1	Red Lobster	May	$1,200.0	$1,050.0	$ 977.0
2	2	Bennigan's	May	458.7	455.0	449.3
3	3	Chi-Chi's	Oct.	422.0	431.0	410.0
4	5	T.G.I. Friday's	Jan.	410.0	383.0	364.1
5	4	El Torito	Dec.	400.0	386.0	402.0
6	6	Chili's Grill & Bar	June	331.0	260.0	196.0
7	11	Olive Garden	May.	300.0	171.0	75.0
8	7	Ground Round	Sept.	300.0	259.0	216.0
9	8	Steak and Ale	May	214.5	221.1	256.0
10	9	Stuart Anderson's Black Angus	Dec.	198.8	187.0	187.0
11	10	Houlihan's	Dec.	198.6	179.6	164.3
		TOTAL:		$4,433.6	$3,982.7	$3,696.7

Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1968	1987
1	1	Red Lobster	May	27.07%	26.36%	26.43%
2	2	Bennigan's	May	10.35	11.42	12.15
3	3	Chi-Chi's	Oct.	9.52	10.82	11.09
4	5	T.G.I. Friday's	Jan.	9.25	9.62	9.85
5	4	El Torito	Dec.	9.02	9.69	10.87
6	6	Chili's Grill & Bar	June	7.47	6.53	5.30
7	11	Olive Garden	May.	6.77	4.29	2.03
8	7	Ground Round	Sept.	6.77	6.50	5.84
9	8	Steak and Ale	May	4.84	5.55	6.93
10	9	Stuart Anderson's Black Angus	Dec.	4.48	4.70	5.06
11	10	Houlihan's	Dec.	4.48	4.51	4.44

Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	Red Lobster	May	441	402	392
2	2	Bennigan's	May	222	214	206
3	3	Ground Round	Sept.	218	212	190
4	4	Chi-Chi's	Oct.	203	196	197
5	5	El Torito	Dec.	182	178	191
6	7	Chili's Grill & Bar	June	170	146	114
7	6	Steak and Ale	May	159	162	178
8	8	T.G.I. Friday's	Jan.	153	133	128
9	9	Olive Garden	May.	144	92	52
10	10	Stuart Anderson's Black Angus	Dec.	86	85	85
11	11	Houlihan's	Dec.	68	64	62
		TOTAL:		2,046	1,884	1,795

Source: NRN Research

DINNER-HOUSE CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year in thousands) 1989	1988	1987
1	1	T.G.I. Friday's	Jan.	$3,200.0	$3,000.0	$2,900.0
2	2	Houlihan's	Dec.	2,990.0	2,850.0	2,690.0
3	3	Red Lobster	May	2,800.0	2,650.0	2,450.0
4	4	Olive Garden	May.	2,700.0	2,600.0	2,500.0
5	5	Stuart Anderson's Black Angus	Dec.	2,300.0	2,200.0	2,200.0
6	7	Chi-Chi's	Oct.	2,250.0	2,173.0	2,045.0
7	8	El Torito	Dec.	2,220.0	2,090.0	2,080.0
8	6	Bennigan's	May	2,100.0	2,200.0	2,200.0
9	9	Chili's Grill & Bar	June	2,100.0	2,000.0	1,950.0
10	11	Ground Round	Sept.	1,400.0	1,300.0	1,150.0
11	10	Steak and Ale	May	1,300.0	1,300.0	1,400.0
		AVERAGE:		$2,305.5	$2,214.8	$2,142.3

Source: NRN Research

FOCUS | TOP 100

Jeff Rogers, USA Cafe's president, stands next to the Bonanza salad bar.

STEAK-HOUSE CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year in millions) 1989	1988	1987
1	1	Sizzler Steak Seafood & Salad	April	$ 845.6	$ 748.6	$ 632.5
2	2	Ponderosa Steak Houses	Feb.	710.0	696.0	651.0
3	3	Bonanza Family Restaurants	Dec.	620.0	570.5	458.4
4	4	Western Sizzlin Restaurants	Dec.	500.0	487.5	466.2
5	5	Golden Corral Family Steakhouse	Dec.	464.8	455.6	428.8
6	7	Ryan's Family Steak Houses	Dec.	295.0	236.0	185.0
7	6	Quincy's Family Steakhouse	Dec.	259.8	250.9	221.5
		TOTAL:		$3,695.2	$3,445.1	$3,043.4

Source: NRN Research

STEAK-HOUSE CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1988	1987
1	1	Sizzler Steak Seafood & Salad	April	22.88%	21.73%	20.78%
2	2	Ponderosa Steak Houses	Feb.	19.21	20.20	21.39
3	3	Bonanza Family Restaurants	Dec.	16.78	16.56	15.06
4	4	Western Sizzlin Restaurants	Dec.	13.53	14.15	15.32
5	5	Golden Corral Family Steakhouse	Dec.	12.58	13.22	14.09
6	7	Ryan's Family Steak Houses	Dec.	7.98	6.85	6.08
7	6	Quincy's Family Steakhouse	Dec.	7.03	7.28	7.28

Source: NRN Research

STEAK HOUSES BLAZE NEW TRAILS

Armed with revamped menus, logos, and ads, leading chains struggle to shed their stodgy images and pioneer the new territory of budget family dining

STEAK-HOUSE CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year in thousands) 1989	1988	1987
1	1	Ryan's Family Steak Houses	Dec.	$2,080.0	$1,930.0	$1,950.0
2	2	Sizzler Steak Seafood & Salad	April	1,430.0	1,360.0	1,230.0
3	3	Quincy's Family Steakhouse	Dec.	1,218.0	1,179.0	952.0
4	4	Ponderosa Steak Houses	Feb.	986.1	1,001.4	984.9
5	5	Bonanza Family Restaurants	Dec.	975.0	940.0	916.0
6	6	Golden Corral Family Steakhouse	Dec.	943.0	888.0	861.5
7	7	Western Sizzlin Restaurants	Dec.	909.1	774.0	790.2
		AVERAGE:		$1,220.2	$1,153.2	$1,098.1

Source: NRN Research

STEAK-HOUSE CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	Ponderosa Steak Houses	Feb.	720	695	661
2	2	Bonanza Family Restaurants	Dec.	652	612	600
3	3	Sizzler Steak Seafood & Salad	April	628	587	547
4	4	Western Sizzlin Restaurants	Dec.	550	579	594
5	5	Golden Corral Family Steakhouse	Dec.	501	505	514
6	6	Quincy's Family Steakhouse	Dec.	220	211	215
7	7	Ryan's Family Steak Houses	Dec.	142	122	95
		TOTAL:		3,413	3,311	3,226

Source: NRN Research

By Jack Hayes

America's budget steak-house chains are slowly but surely waving good-bye to the old steak-house image.

Fearful of falling stagnant under a steak-only stereotype, more and more of the nation's budget beef specialists are rewriting menus, logos, and even ad messages — creating a new segment image called budget family dining.

Following the lead set by operators like Sizzler Steak Seafood Salad, Ryan's Family Steak Houses, and Bonanza Family Restaurants, the other players are continuing to broaden their concepts.

Outside the budget segment, though, steak-house chains like Steak and Ale and Stuart Anderson's are still keeping their steak image very much alive.

That is not so for eight major budget steak-house operations.

"How can you argue we're a steak-house segment anymore when only 28 to 32 percent of our sales are red meat?" asks Jeff Rogers, president of Dallas-based USA Cafes, which franchises 652 Bonanza Family Restaurants.

"At one time it was budget steaks, but now it's budget meals," charges Rogers, who claims the term "steak house" is as archaic as another outdated food-service term: "coffee shop."

"Our competition now is Shoney's," adds Rogers. He points to chains like Sizzler, which got the segment change on a roll when it added the words "seafood" and "salad" to a logo that once read only Steaks — and then built eclectic self-serve food bars and brighter interiors.

Other steak specialists have been doing likewise.

Most recently, the 550-unit Western Sizzlin chain — under new ownership since last November — announced a decision to drop "Steak Houses" from the logo and to begin calling itself Western Sizzlin Restaurants.

"Most of the major players are looking for new paths," says Michael Stack, who became president of Western Sizzlin when seven investor-managers, including him and Pizza Hut veteran Frank Carney, acquired the 27-year-old chain.

Yet there's disagreement among the players about which course exactly is best.

While Stack and Western Sizzlin take the expanded menu route, attempting to carve a hybrid niche called budget casual dining, most steak house operators — led by 142-unit Ryan's — continue promoting their giant self-service food bar alternatives.

"Food bars are taking over the segment. We're two restaurants under the same roof," says Richard Kraft at the 185-unit Western Steer Family Steakhouse chain based in Claremont, N.C.

Nevertheless, the segment's biggest player, 720-unit Ponderosa Steak Houses, is recoiling from the unprofitable rollout of an 80-item food bar last year. Called Grand Buffet, it is similar to the Mega Bar buffet, which accounts for half of the sales at Ryan's.

While the Grand Buffet was said to be a popular introduction, Ponderosa franchisees complained it had been too costly to promote.

When all is said and done, however, Ponderosa is scoring fourth place in average unit sales — higher than Bonanza, Golden Corral, Western Steer, and Western Sizzlin — among the eight largest operators.

Far outshining all others in per-unit sales is Ryan's, which averages more than $2 million per restaurant. Sizzler Steak Seafood Salad — with 628 stores — is the star performer among the chain giants, averaging $1.43 million per restaurant.

Quincy's, a 220-unit chain owned by Spartan Food Systems, the Spartanburg, S.C., division of TW Services Inc., averages $1.2 million in sales per unit, which is enough to grab third place.

While operators fight to build store volumes, they are having to address the labor issue. Holding down turnover is seen as a key to improving service images and controlling labor costs, which can get eaten up in training.

"We've got to figure out how to motivate and retain the employees," Bonanza's Rogers warns. "This is going to cost up front in better compensation and communication, better incentives, and even cross-training."

Other image factors are being addressed by the major budget chains. More exciting food displays, more contemporary fixtures, and brighter interiors are part of the new direction they are taking.

FAMILY FEEDERS FIGHT BACK

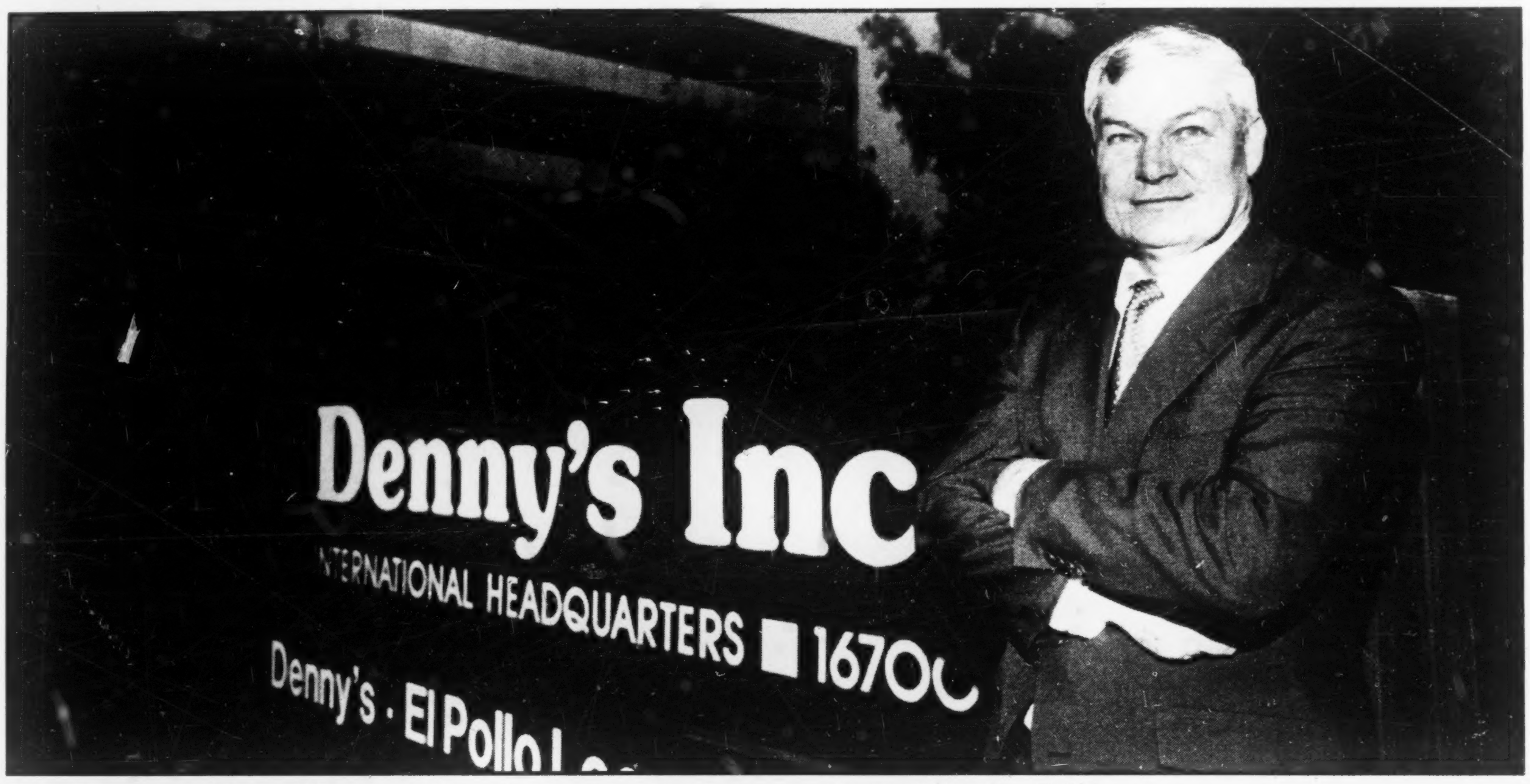
Pinched between fast-feeders and dinner houses, coffee-shop chains are plotting ways to woo aging consumers back into the midscale fold

By Richard Martin

Sandwiched, if not smothered, between the glitzier fast-food and dinner-house categories, family-restaurant chains continue struggling to accelerate their growth and bring customers back to the midscale marketplace.

Some recent sales trends suggest that the family segment may be gaining advantages as a result of unprecedented sluggishness in competing fields, particularly fast food.

However, many executives of the so-called coffee-shop chains are less than confident that they can soon halt the theft of customers by upscale competitors who discount and quick-service players who upgrade their offerings. As a result, the outlook for the midscale field remains clouded by uncertainty.



Sam Maw, president of Denny's Inc., in front of headquarters in La Mirada, Calif.

"Everyone in the family segment is backing off and taking a look," says William Morgan, executive vice president of Elias Bros., the Warren, Mich.-based franchisor of the Big Boy system. "Everybody's a little cautious."

"There's a rough business climate right now, no question about it," laments Keith Bradbury, chief financial officer of the Bob Evans Farms chain.

Officials of the segment-leading Denny's chain, which was recently acquired by the Coniston Partners arbitrage firm through its takeover of TW Services, are also uncertain about the family field's growth prospects. "I'm just not sure this is a good year to judge" the segment's future, Sue Henderson, Denny's marketing director, remarks.

Seeking to shed their humdrum, white-bread images and find ways to improve their food and service, the broad-menu chains of the family segment remain wary about customer defections to upscale and downscale competitors.

"The family-style group has had a decreasing market share because the quick-service guys have really put up a wall of noise with their advertising, and the upscale chains have been able to pin their performances on a menu specialty," says analyst Nancy Kruse of Technomic, a Chicago-based research company.

However, she and other industry-watchers suggest that the tide may be turning in favor of the nation's beleaguered family-restaurant companies and against their archrivals — at least those in the fast-food field.

An analysis of second-quarter sales, by GDR Enterprises in Park Ridge, Ill., painted a bleak picture that was further marred by a "disastrous" month of May, chairman George Rice indicates.

However, "The midscale, family segment weathered the storm better than others," Rice says.

"The family-style types of restaurants significantly outperformed quick-service in the quarter; we've not seen that before," notes Rice, who called the detected year-to-year decline in real sales at fast-food chains the first such quarterly setback for the segment since he has been tracking industry sales.

Other statistics suggest that fast food's binge of menu-item novelties and decor upgrades may be wearing thin with restaurant-goers, who may be rediscovering the full-service amenities of the family category. Last year, while fast-food hamburger chains opened 5.4 percent more new restaurants than they had a year earlier, their inflation-adjusted sales grew at only 3 percent, according to Technomic.

FAMILY RESTAURANT CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year, in millions) 1989	1988	1987
1	1	Denny's	Dec.	$1,300.0	$1,227.0	$1,335.0
2	2	Big Boy	Dec.	1,040.0	1,030.0	1,027.0
3	3	Shoney's	Oct.	860.0	798.6	718.6
4	4	Friendly	Dec.	590.0	563.5	572.4
5	5	Perkins	Dec.	450.0	375.0	343.7
6	6	International House of Pancakes	Dec.	325.0	291.3	297.5
7	7	Bob Evans Farms	April	293.5	259.2	221.2
8	8	Marie Callender's	Dec.	265.0	230.0	206.4
9	9	Village Inn	Oct.	230.0	229.7	218.3
10	10	Waffle House	June	219.6	210.0	189.4
11	11	Bakers Square	Oct.	214.0	189.4	155.8
12	12	Howard Johnson	April	184.0	182.0	250.0
		TOTAL:		$5,971.1	$5,585.7	$5,535.3

Source: NRN Research

FAMILY RESTAURANT CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1988	1987
1	1	Denny's	Dec.	21.77%	21.97%	24.12%
2	2	Big Boy	Dec.	17.42	18.44	18.55
3	3	Shoney's	Oct.	14.40	14.30	12.98
4	4	Friendly	Dec.	9.88	10.09	10.34
5	5	Perkins	Dec.	7.54	6.71	6.21
6	6	International House of Pancakes	Dec.	5.44	5.22	5.37
7	7	Bob Evans Farms	April	4.92	4.64	4.00
8	8	Marie Callender's	Dec.	4.44	4.12	3.73
9	9	Village Inn	Oct.	3.85	4.11	3.94
10	10	Waffle House	June	3.68	3.76	3.42
11	11	Bakers Square	Oct.	3.58	3.39	2.81
12	12	Howard Johnson	April	3.08	3.26	4.52

Source: NRN Research

Simultaneously, family restaurants enjoyed real-sales gains of 4.3 percent from year to year while expanding their chains by only 2.9 percent, the Chicago firm reports. Compared with fast feeders, family-style chains "are doing a good job of taking more [sales] out of existing locations," says Technomic's Kruse.

Market conditions, revolving principally around an aging consumer majority, will "slowly evolve to favor full-service types of restaurants," predicts CREST's Rice, who says those operations are "on a better footing" to meet the needs of maturing consumers who are becoming more family oriented and sophisticated in their tastes.

"The customer comes first at Shoney's," remarks Taylor Henry, chief financial officer for one of the segment's stronger performers. He points to Shoney's six-year unit-renovation cycle, "active" research and development department, and monthly menu-based promotions as some of the reasons underlying the chain's 1.1-point year-to-year improvement in average unit-level profit margin, which currently amounts to 12.5 percent of sales.

"If you have some sense of vitality on the menu and you do some savvy promotions, you have a chance to make some headway in this segment," says Kruse, pointing to such solid performers as Perkins, Bob Evans Farms, and Cracker Barrel as other positive role models for their peers.

Kruse also says the Friendly chain, a comparatively lackluster performer of late, will also merit a closer look to see if it gains any synergistic advantages from Perkins, its new sister chain. Perkins, also owned by Tennessee Restaurant Corp., posted an estimated 15-percent year-to-year increase in same-store sales in 1988 and is now under the leadership of former Burger King veteran Don

*(See **FAMILY**, page F73)*

FOCUS | TOP 100

CONTRACT FEEDERS BRANCH OUT

Leaders are grasping for more market share by testing new concepts, offering more menu choices, and dabbling in employee incentive programs

By Bill Carlino

Fanning the embers left from contract feeding's takeover-and-diversification tear of 1986 and '87, the segment's major players are wading into new arenas and vying for bigger chunks of the $10 billion market.

Marriott Food Services Management, just as in 1986, when it completed the $500 million acquisition of Saga Corp., has thrust itself in the spotlight with the pending sale of its In-Flite airline catering division. The purchasing group, headed by former Marriott lodging executive Fred Malek and In-Flite executive vice president Dan Altobello, scooped up one of Marriott's oldest divisions for an estimated $600 million.

The underperforming division, hampered by flat sales and several consecutive quarters of profit declines of 5 percent or higher, was further hindered by the protracted labor dispute at Eastern Airlines.

The new organization will fly under the name of Caterair International but will be allowed to use the Marriott banner for the next five years.

By virtue of a licensing agreement signed earlier this year, Host, Marriott's airport feeding division, will begin its planned rollout of Pizza Hut carts in its airport accounts.

Marriott's ancillary contract services continue to test the waters of new markets, as evidenced by the recent acquisition of United HealthServ, a major laundry and housekeeping concern.

Marriott announced that it would strengthen its vending and facilities management while joining a host of major contract players' health- care markets. In total, about $2.3 billion of Marriott's $5.4 billion food-service revenues stems from its contract-feeding division.

According to Dick Kresky, vice president of Marriott's Business Food & Services division, the operation added about 100 new accounts and boasted an account retention percentage in the high 90s.

With more than $1.6 billion in projected revenues for 1989, Canteen Corp., the nation's second-largest contract feeder, will now operate under the umbrella of Coniston Partners. The New-York based arbitrager wrested control of Canteen's former parent company, TW Services Inc., for $1.7 billion.

At the time of the takeover, Coniston Partners said it would expand TW's core food operations, which include the 1,200-unit Denny's coffee shop chain, the El Pollo Loco grilled-chicken group, and Quincy's Family Steakhouses.

Canteen enjoyed the luxury of double-digit growth from each of its divisions and picked up five major college feeding accounts, including a $4 million contract for the University of California at Irvine.

"Everything will be status quo here despite the sale," said Hal Richie, Canteen's vice president of sales and marketing. "We're beginning to put more emphasis on our special markets like correctional feeding and child care."

Richie added that the company acquired several contracts for county correctional facilities.

Service America gets new skipper

A 1987 management-led buyout rescued Service America from an austere life under debt-laden former parent Allegheny Beverage. But the Stamford, Conn.-based feeder did not escape unscathed; growth was curtailed, and sales per unit have dropped over $200,000 in two years. Overall, Service America expects an annual increase of just $10 million by the end of 1989.

However, the days of Service America's slothlike growth may be numbered now that Steve Leipsner, the man who built Marriott's Travel Plazas division, has assumed the positions of president and chief executive.

Leipsner says he will diversify Service America and try to secure licenses for the contract feeder to operate units of nationally known food-service chains. He employed a similar strategy during his six-year stint at Marriott, where he transformed a string of underperforming roadside restaurants into a $300 million-a-year empire.

ARA Services Inc. is capitalizing on an effective central marketing program to experiment with several new feeding concepts under its ARASERV food-service division.

ARA's School Nutrition Services and Campus Dining Services operations have begun offering students a wider variety of menu choices through concepts like Deli Corner, Itza Pizza, and Gretel's Bake Shop.

The Campus Dining Division has added 20 new accounts, including the University of Virginia at Charlottesville, a 10-year, $16.5 million contract.

The company's Leisure Services arm assumed feeding and concession contracts for New York's Ellis Island historical museum and Lake Powell, an expansive resort area in the Southwest.

Another top-level management change took place at Morrison's

*(See **CONTRACT FEEDERS**, page F69)*

CONTRACT FEEDER CHAINS RANKED BY SYSTEMWIDE SALES

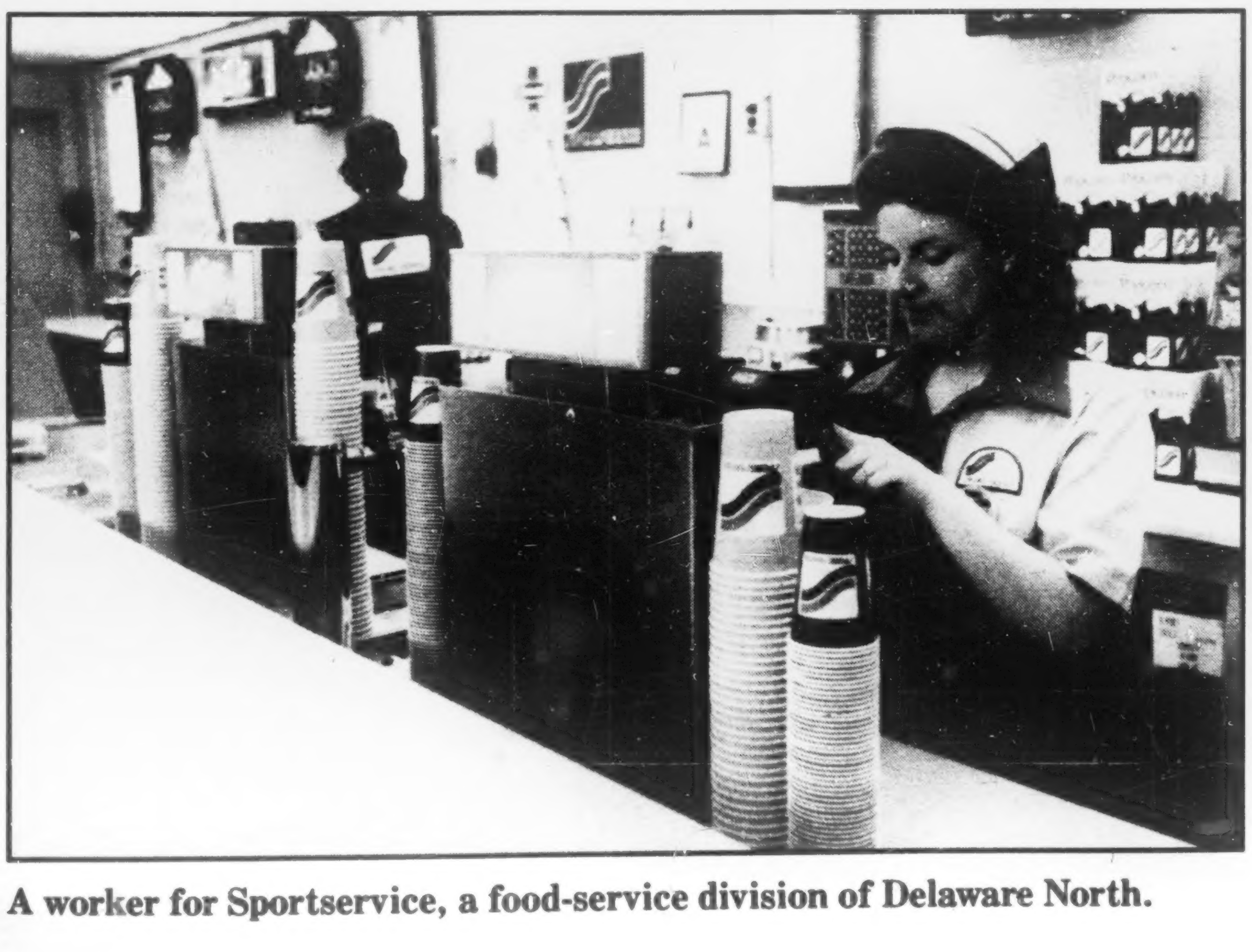
Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year in millions) 1989	1988	1987
1	1	Marriott Food Services Management	Dec.	$2,340.0	$2,120.0	$1,897.3
2	2	Canteen	Dec.	1,651.0	1,597.0	1,475.0
3	3	ARA Services (ARA SERV)	Sept.	1,357.0	1,261.0	1,145.0
4	5	Service America	March	1,040.0	1,034.0	1,016.0
5	4	Marriott In-Flite/Host	Dec.	1,010.0	1,060.0	986.0
6	6	Dobbs International/ Dobbs Houses	Dec.	505.0	463.0	449.0
7	7	Sky Chefs	Dec.	383.4	352.7	333.4
8	8	Morrison Custom Management	May	335.0	266.1	166.2
9	9	Ogden Allied Leisure Services	Dec.	260.0	241.0	210.0
10	10	Seiler Corp.	Aug.	241.0	225.0	185.0
11	11	Harry M. Stevens	Dec.	231.3	215.0	192.0
12	13	Daka	June	210.0	191.0	182.0
13	12	Sportservice	Dec.	209.0	193.0	174.0
14	14	Concession Air	Dec.	195.3	180.0	163.0
		TOTAL:		$9,968.0	$9,398.8	$8,573.9

Source: NRN Research

CONTRACT FEEDER CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1988	1987
1	1	Marriott Food Services Management	Dec.	23.48%	22.56%	22.13%
2	2	Canteen	Dec.	16.56	16.99	17.20
3	3	ARA Services (ARA SERV)	Sept.	13.61	13.42	13.35
4	5	Service America	March	10.43	11.00	11.85
5	4	Marriott In-Flite/Host	Dec.	10.13	11.28	11.50
6	6	Dobbs International/Dobbs Houses	Dec.	5.07	4.93	5.24
7	7	Sky Chefs	Dec.	3.85	3.75	3.89
8	8	Morrison Custom Management	May	3.36	2.83	1.94
9	9	Ogden Allied Leisure Services	Dec.	2.61	2.56	2.45
10	10	Seiler Corp.	Aug.	2.42	2.39	2.16
11	11	Harry M. Stevens	Dec.	2.32	2.29	2.24
12	13	Daka	June	2.11	2.03	2.12
13	12	Sportservice	Dec.	2.10	2.05	2.03
14	14	Concession Air	Dec.	1.96	1.92	1.90

Source: NRN Research



A worker for Sportservice, a food-service division of Delaware North.

> *'We're beginning to put more emphasis on our special markets like correctional feeding and child care,' said Hal Richie, Canteen's vice president of sales and marketing.*

FOCUS | TOP 100

HOTELS PLAY MATCHMAKERS

Facing sluggish occupancy rates, lodging chains are striving to fill their restaurants with national promotions pairing foods and wines

By Alan Liddle

Faced with yet another year of little, if any, growth in occupancy rates, several Top 100 hotel chains are nevertheless excited about the prospect of boosting revenues and profitability with national and regional food-and-beverage promotions.

Though some restaurant chains have been marrying foods and wines or liqueurs for a number of years, often with financial assistance from suppliers, the pairings are new to many in the hotel food-and-beverage business.

"This was the Year of the Promotion," Robert J. Lansdell, senior vice president of food and beverage for Ramada Inns, declares after his chain's first attempt at teaming food and wine in its 30 corporate-owned properties.

The result of Phoenix, Ariz.-based Ramada's decision to jointly promote strawberry desserts with a giant winemaker's new varietal product was a 35-percent hike in dessert sales, Lansdell notes.

Ramada is in the middle of its second national food and beverage promotion. It is planning its third, which will hawk pork dishes and Champagne cocktails, and, says Lansdell, "has three or four more on the back burner."

Marriott Hotels & Resorts of Bethesda, Md., Hyatt Hotels of Chicago, and Westin Hotels & Resorts of Seattle are also fielding their first-ever large-scale food and beverage promotions during the past year.

On the producer side, California wineries and winemakers have been particularly active in such joint marketing programs with hotels.

Other strategies to increase the performance of food and beverage departments recently mentioned by Top 100 chain executives included operations-oriented back-to-basics campaigns; increased marketing to children; and the creation of room-service pizza programs that resemble chain delivery operation, such as Domino's.

Most of the full-service operators in the Top 100 also say they will continue developing less-formal international, ethnic, and regional American concepts to compete better with nearby freestanding restaurants. Spanish, Mexican, and Southwest-American Indian concepts are among the newest to pop up in hotels, which are increasingly replacing traditional coffee shops with specialty operations, such as Italian cafes, French-style bistros, and seafood houses.

But of all the developments, the trend toward national and regional food and beverage promotions seems to most excite hotel officials.

The reasons for their enthusiasm are clear: The limited-time events have the potential to generate increased interest and sales in long-established food and beverage outlets but are relatively inexpensive compared with renovations or new construction.

Many producers and suppliers help lower the tab for promotions by picking up a good portion or the full cost of producing promotional materials or by providing price breaks for large orders; some do both.

The promotions also facilitate the testing of new menu items and new concepts, and they can improve employee morale by breaking up numbing routines or by incorporating sales contests.

The traffic boosters are gaining favor at a time of sluggish gains in room occupancy rates, which are generally regarded as a crucial measure of the lodging industry's health.

"Over the past four quarters, occupancy rates for the publicly traded companies have increased only slightly (.7 percent) vs. year-ago levels . . . a trend we expect to continue for the balance of 1989 and 1990," Montgomery Securities lodging analyst Michael Mueller notes in a recent report.

Mueller says the overall occupancy rate for publicly traded hotel companies ran about 70 percent in 1988, a decline of about 6 percent from the 1978 level.

John Havron, Marriott Corp.'s vice president of marketing for hotel food and beverage, says his chain began national food promotions about two years ago but only added the beverage component during the past year.

Marriott's 125 domestic company-owned full-service properties recently completed a promotion called "From Sea to Shining Sea," which combined regional seafood specialties with a California winemaker's line. The special menu used for the promotion included descriptions of the various wines offered and suggested which would go best with specific seafood items. All the wines were available by the glass.

Guests at Stouffer Tower City Plaza Hotel in downtown Cleveland, Ohio, enjoy tableside cooking at one of the restaurants in the hotel.

Newspaper advertisements and in-house graphics heralded the limited-time offering.

"We found that we did [attract] additional local business . . . and that we did a better job of capturing in-house guests," Havron says of the benefits of the promotion.

Explaining one reason why the food and beverage pairings work, Havron remarks, "Many consumers are interested in wine but don't want to order a bottle."

Hyatt officials say the chain's recent "Pasta, Pesto, Primavera" Italian food and beverage "festival" drew residents from the communities surrounding the company's 90-plus North American properties. More important, however, the promotion improved the bottom line by increasing the mix of higher-profit beverage sales by 3 percent, according to Bryan Gerrish, Hyatt's director of food and beverage.

"This was the first time we did a nationwide, corporate-driven festival," Gerrish explains. "We will [now] be doing two to three of these a year."

Westin Hotels & Resorts, which recently regrouped its 35 or so domestic properties into four regions, earlier this year staged its first mandatory regional food and wine promotion.

The Western Region promotion featured California wines and foods prepared from recipes by John Ash, a well-known eclectic California chef. To generate a little excitement for the promotion, Ash, who makes appearances on behalf of the winery working with Westin, showed up as a "visiting chef" at each of the participating properties.

According to Kurt Fischer, Westin's corporate director of food and beverage, "We saw quite an increase in covers during this period." Though he describes food and beverage promotions as a "marketing tool," the Westin official emphasizes that they can "increase profits."

In light of increasing governmental restrictions on alcoholic beverage promotions, an offshoot of the mid-1980s movement to ban "Happy Hours," Fischer says Westin will "come on relatively strong in the area

*(See **HOTEL**, page F76)*

HOTEL CHAINS RANKED BY SYSTEMWIDE SALES

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Systemwide Sales (by fiscal year in millions) 1989	1988	1987
1	1	Marriott Hotels & Resorts	Dec.	$1,144.5	$1,021.4	$ 890.1
2	2	Sheraton Hotels	Dec.	1,065.8	1,005.0	1,021.3
3	3	Hilton Hotels	Dec.	862.3	838.2	833.8
4	4	Holiday Inn	Dec.	669.2	686.3	700.1
5	5	Ramada Inn	Dec.	329.6	314.4	303.3
6	7	Hyatt Hotels	Jan.	311.1	282.1	259.4
7	6	Westin Hotels & Resorts	Dec.	302.4	285.6	271.5
8	8	Radisson Hotels	Dec.	265.0	216.5	169.4
		TOTAL:		$4,949.9	$4,649.5	$4,448.9

Source: NRN Research

HOTEL CHAINS RANKED BY MARKET SHARE

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Market Share 1989	1988	1987
1	1	Marriott Hotels & Resorts	Dec.	23.12%	21.97%	20.01%
2	2	Sheraton Hotels	Dec.	21.53	21.62	22.96
3	3	Hilton Hotels	Dec.	17.42	18.03	18.74
4	4	Holiday Inn	Dec.	13.52	14.76	15.74
5	5	Ramada Inn	Dec.	6.66	6.76	6.82
6	7	Hyatt Hotels	Jan.	6.28	6.07	5.83
7	6	Westin Hotels & Resorts	Dec.	6.11	6.14	6.10
8	8	Radisson Hotels	Dec.	5.35	4.66	3.81

Source: NRN Research

QUESTIONS & ANSWERS ON TOP 100

Publication of the Top 100 issue usually tests the durability of NRN's switchboard by drawing a flood of inquiries about the rankings and how they were drafted. What follows are answers to some of the most frequently asked questions.

Q: Why wasn't my chain or company included in the listings?
A: Unless a chain generated at least $179 million in domestic systemwide sales, it will not appear on any of the Top 100 Chains listings. Similarly, a company had to generate at least $38.8 million in food-service revenues — not total intake — to appear on the Top 100 Companies ranking.

Q: But my chain has more units than some of the chains included on the Top 100 ranking by number of units. Why wasn't it included on that list?
A: Only the Top 100 chains, as ranked by systemwide sales, are ranked by such other criteria as number of units and sales per unit. In other words, the universe for those rankings is limited to those chains that appear on Top 100 Chains By Systemwide Sales ranking.

Q: My chain's per-unit sales average exceeds my competitors' averages, yet you listed them on segment rankings and omitted us. Shouldn't we be on those rankings?
A: Here again, only those chains appearing on the Top 100 Chains ranking are included in the segment breakouts.

Q: My chain appears on every other industry sales rankings. How could it qualify for those and yet not make your list?
A: Each ranking uses different criteria. We believe that the Top 100 is the industry's most reliable listing because of our rigid adherence to strict standards.

Q: My company's revenues far exceed the tally for many of the chains on the Top 100 Companies ranking, and yet you omitted my concern. Why?
A: Companies were included on the Top 100 Companies list because of their food-service revenues, not their total revenues. Proceeds from all other types of businesses — including distribution operations — were excluded from the figures.

Q: My chain's domestic systemwide sales are indeed higher than the totals for other chains on the Top 100 Chains ranking. Why wasn't it included?
A: Perhaps it should have been. We might have overlooked it during our research, or might have underestimated your growth in our projections for the coming year.

In any case, please help us avoid our mistake next year by providing us with the name and address of someone we can contact for information. Because the preparation of next year's Top 100 section will begin soon, please promptly send the information to Top 100 Editor, Nation's Restaurant News, 425 Park Avenue, New York, N.Y. 10022.

Q: How do systemwide sales differ from revenues?
A: Systemwide sales consist of the intake of every company-operated and franchised outlet within a chain or multi-unit operation such as a contract feeder. Revenues are limited to the intake of company-run units and franchise royalty fees; excluded are the intake of franchised stores.

For example, the intake of every McDonald's unit in the United States constitutes that chain's systemwide sales. But revenues for McDonald's Corp. are limited to the intake of company units and franchise royalties.

Q: What is reflected in the share-of-market figures?
A: Within our context, "share of market" means "share of the Top 100 totals." In other words, if a chain has a 3 percent share of market, that system accounted for 3 percent of the systemwide-sales total for all chains included in the Top 100 ranking. It does not mean that the chain garnered 3 percent of total industry sales.

In the segment charts, which look at a particular market battle, the share-of-market chart lists major players' proportion of the sales generated by Top 100 chains competing within that sector. For instance, McDonald's 46.54-percent share of the hamburger market means that the chain captured 46.54 percent of all dollars generated by Top 100 hamburger chains. It does not mean that McDonald's snared that proportion of the total hamburger market.

Q: Where can I write to air comments and criticisms of the Top 100 rankings?
A: Address correspondence to Top 100 Editor, Nation's Restaurant News, 425 Park Avenue, New York, N.Y. 10022.

HAMBURGER CHAINS

(Continued from page F36)

Castle says it would use its newly developed prototype mobile unit at fairs and other large outdoor events.

Technology cuts labor, improves service

Regional labor shortages, high turnover, escalating labor costs, and an intense interest in improving quality, consistency, and speed of service are spurring fast-food operators to invest heavily in the development of technology and automation.

Atlanta-based Arby's, for example, is creating a prototype unit that relies on robots for much of its production and preparation. If all goes as planned, the unit will debut this year, the company says.

And a McDonald's unit in Rosemount, Minn., employs a robot named ARCH — short for Automated Restaurant Crew Helper — that not only handles all the restaurant's deep-frying chores but also tells its human co-workers when to prepare sandwich buns, when supplies of raw materials are running low, and even when the last batch of fries is three minutes from being too old to sell.

Rocky Mount, N.C.-based Hardee's, which introduced a fully automatic soda-dispensing system last year, says it expects to roll out the labor-saving and portion-controlling system this year.

And Wendy's, whose strategy includes building its take-out business, is installing crew headsets to improve speed and order accuracy.

Certainly, high-tech breakthroughs are not limited to the back of the house.

McDonald's, Burger King, and Arby's are testing a $25,000 touch-screen computer that allows customers to order their own meals. The system is said to cut service time by half a minute and boost sales per cashier by 10 percent to 20 percent.

And many of the top chains accept credit cards at selected units.

Arby's, for instance, is testing the Discover Card in 50 locations in Pittsburgh, Pa., and Youngstown, Ohio.

In previous trials using the Visa card, credit-card transactions accounted for about 3 percent of sales, and the average credit card purchase — $5 to $6 — was almost double the average cash transaction, $2.80, Arby's indicates.

And by eliminating the manual imprinting of sales slips, quickly processing credit-card authorizations, and automatically printing receipts, Arby's computerized system cuts transaction time to 10 to 20 seconds, the company says.

New products aimed at broadening customer bases

New long- and short-term products are key to operators' plans for increasing unit volumes this year.

While many new menu items are designed to appeal to the health-conscious consumer, others are positioned to build the traditionally weaker dinner and breakfast dayparts or to take advantage of the trend toward take-out business.

Most burger chains are raiding the hen house for chicken items that provide health-conscious consumers with a fast-food alternative to red meat.

In order to capitalize on the growing popularity of chicken:

- McDonald's rolled out its long-awaited McChicken sandwich — its first new product introduction since prepackaged salads in 1987 — to domestic restaurants in May.
- Burger King recently launched a promotion, still in place in many stores, which features three versions of the chain's chicken sandwich.
- Jack in the Box introduced a grilled chicken-fillet sandwich systemwide in February.
- Hardee's earlier this year introduced a grilled chicken sandwich to two-thirds of its units and plans to have the product in all stores by year's end.
- Arby's recently made its new chicken club sandwich mandatory in all stores and is testing other versions and a children's chicken nugget item.
- And Wendy's is developing a

*(See **HAMBURGERS**, page F64)*

Capitalizing on Americans' growing taste for chicken, Jack in the Box restaurants have introduced the Grilled Chicken Fillet sandwich.

HAMBURGER CHAINS

(Continued from page F61)

number of new chicken products, including a grilled-chicken sandwich, taco chicken for its hot food bar, a chicken salad, and home-style fried chicken.

In addition to bolstering their chicken offerings, burger and sandwich chain operators are attempting to combat the perception that fast food is unhealthy by reformulating some products and cooking processes.

In order to lower the fat and cholesterol content of their products, for example, several chains — including Arby's, Hardee's, and Carl's Jr. — have switched to vegetable oil for frying.

Industry watchers and chain insiders expect McDonald's next new systemwide introduction will be McPizza, which is in test in several markets and is intended to buoy the chain's dinner business.

"Obviously, we have a lot of growth opportunity yet in our dinner business," says Edward H. Rensi, chief operations officer of McDonald's, "and pizza would be a keystone of that opportunity."

Krystal, on the other hand, is concentrating on its breakfast traffic.

The company indicates it will complete the rollout of its Sunriser breakfast sandwich, which is in half its system, by early next year.

The sandwich, which sports a square egg, sausage, and cheese on a Krystal bun, has boosted breakfast sales by 25 percent, Murphy says.

Wendy's is also diving back into the breakfast business, which flopped for the company a few years back, with a number of egg and breakfast meat combinations served on a biscuit or English muffin.

And the chain is expanding its Superbar program — intended to increase dinner and weekend traffic — with tests of tortellini, ravioli, taco chicken, and home-style dinner items for the hot bar and trials of four new salads — tuna, seafood, chicken, and ham — in the cold section.

Through renewed promotion of its Express Pack — a quarter-pound burger, fries, and soft drink — Wendy's also hopes to generate additional drive-thru and take-out sales.

Meanwhile, new products in Arby's 1989 lineup include a Sub Deluxe sandwich and a deluxe version of its country-fried steak sandwich.

International operations increase

For many chains overseas operations are providing new avenues for growth.

Last year fully 33 percent of McDonald's total revenues were generated by foreign operations, up 27 percent from the 1987 figure. And foreign units contributed 29 percent of the chain's total operating income, up 34 percent from the 1987 figure.

McDonald's domestic units averaged sales of $1.6 million in 1988, but of the 22 units whose sales exceeded $5 million last year, fully 20 were outside the United States.

Over the last five years, foreign operations' portion of total sales increased to 29 percent from 19 percent. And foreign units grew to 25 percent of systemwide restaurants from 21 percent.

This year McDonald's will open its first unit in the Soviet Union and — reflecting its new concentration on international markets — will open the system's 11,000th unit in Hong Kong.

Arby's, too, is pursuing growth opportunities outside the United States, including Canada, the Pacific Basin, Northern Europe, and Asia.

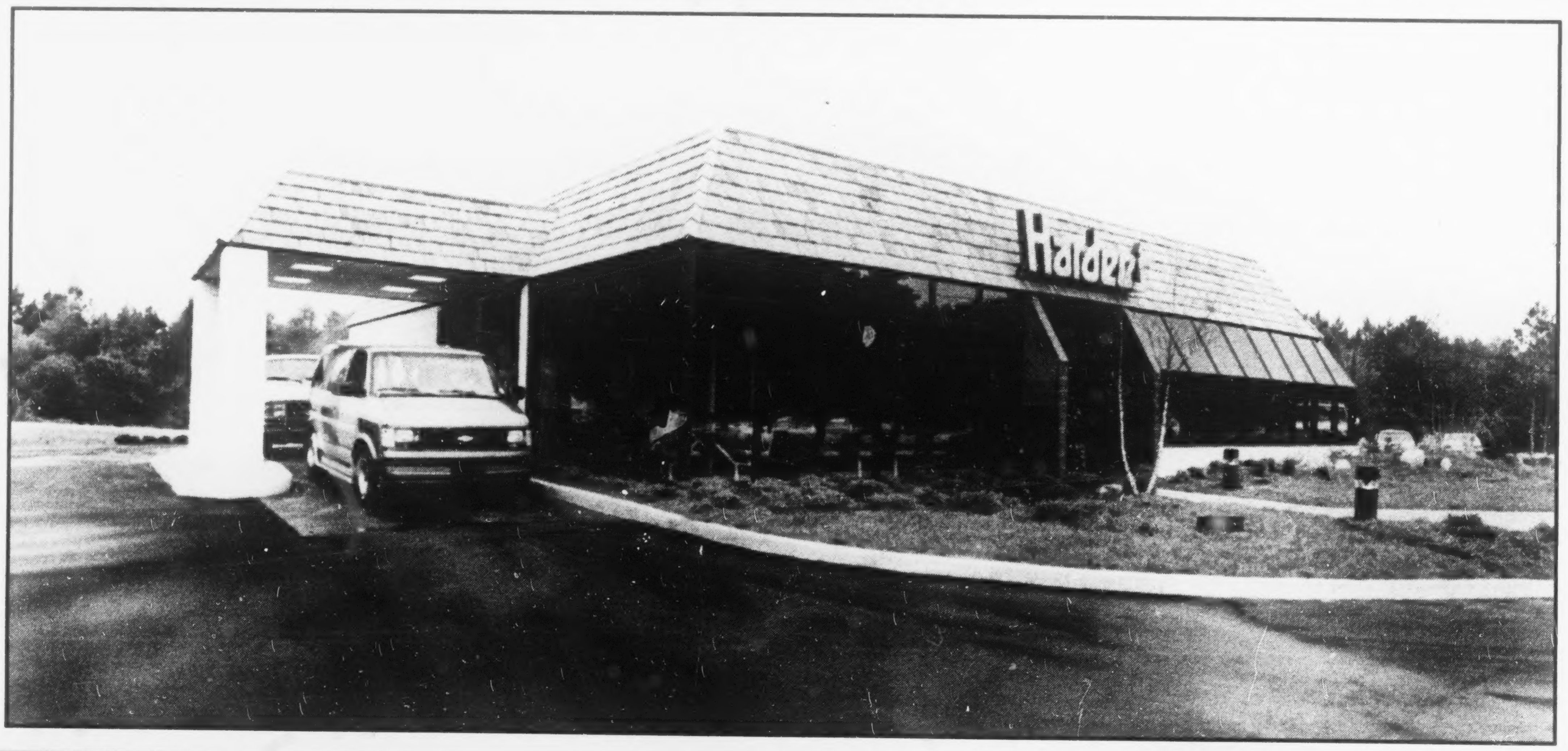
"By the end of 1992," says Arby's executive vice president of franchising and development, Russ Cooper, "we're predicting 3,000 restaurants in our system. International growth will become increasingly important to our expansion plans."

More than 30 new international Arby's units are scheduled to open in 1989 — 20 of them in Canada and Japan.

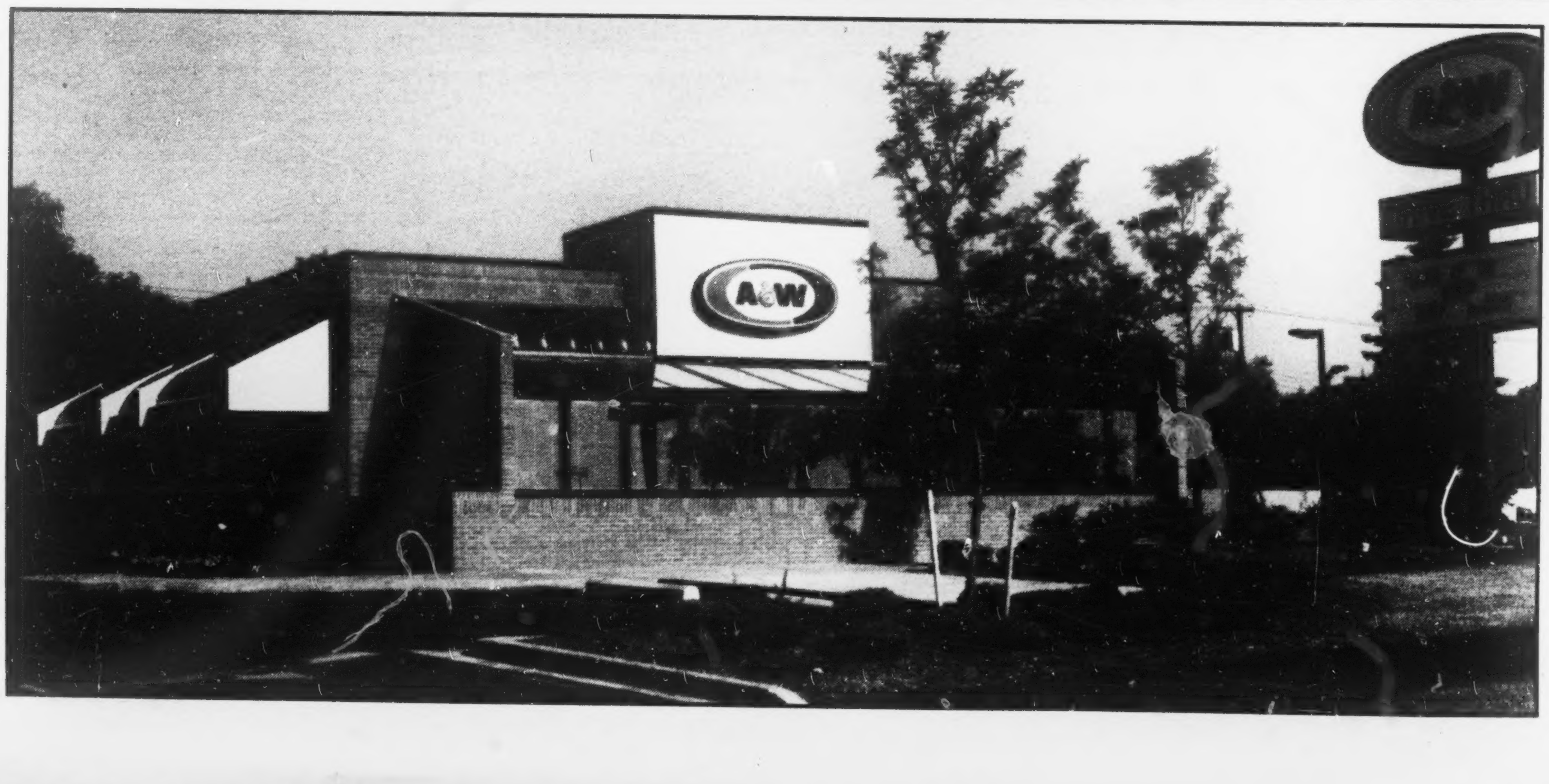
Since 1984 the number of Arby's international units has grown to an estimated 130 this year from 30.

And White Castle, with six Japanese units, is expanding its international presence with a licensing agreement in Malaysia and expects to open seven units there by fall.

> *'Obviously, we have a lot of growth opportunity yet in our dinner business,' said Edward H. Rensi, chief operations officer of McDonald's, 'and pizza would be a keystone of that opportunity.'*



The exterior of Hardee's new image building features cedar shingles, an atrium, covered drive-thru, and beautiful landscaping.



A & W Restaurants new unit design has a clean, crisp, contemporary look that is casual and inviting.

PIZZA CHAINS

(Continued from page F41)

consecutive year.

He says the company's marketing style continues to evolve in order to highlight its distinction in the segment.

"Any operator in the segment can't help noticing that 70 percent of the business is taken out or delivered, but I'm not dismayed by that," Frank says. "We feel we have a niche that is unique to us, a family-oriented, fun, and entertaining place. We will continue to capitalize on what we do well without getting into the pizza fray, as I call it.

"We don't deliver; we don't discount. But we do have to evolve the concept."

With a typical unit encompassing 10,000 square feet and more than 300 seats, Showbiz has added a salad bar as one competitive advantage.

Despite sustaining its third consecutive annual sales decline, Godfather's is looking to improve comparable-store sales without tampering with the company's marketing formula. Meanwhile, according to Cain, the chain continues to post higher profits.

Godfather's 1989 systemwide sales are projected to top $236 million, for a 4-percent decline from the year-ago tally. But its sales per unit are expected to increase 6 percent, to $440,000.

Although the company is plodding along with some new proprietary products, Cain says he is not tempted to tinker with Godfather's marketing style the way Pantera's did with Pizza Inn by adding an Italian buffet. In a competitive environment, Cain says, there are some inherent hazards in changing concepts.

"When you go through a repositioning of your concept, you are changing your operations, and that can impact whether or not your margins vary," Cain says. "Usually sales are a good indicator. But in some of my markets, in all honesty, my sales for the last fiscal year are lower than the previous year."

Nevertheless, he continues, "Profitability was up. So when people say sales are up, [because they repositioned], the next question is, Will they stay up? You can always increase sales if you give away margin. But is the trade-off worth it?"

One company that has been basking in the glow of an expanded array of Italian offerings has been Sbarro, perhaps the fastest-growing chain in the segment. The Long Island, N.Y.-based chain retained its rank as the second-highest annual sales-per-unit performer, its third consecutive year in a row. Systemwide sales are expected to top $200 million while its annual store average of $657,00 will be second only to that of Chuck E. Cheese.

But also gaining fast with its young adult orientation and casual-themed decor is Pizzeria Uno, operated by the Uno Corp. of Boston. Company president Craig Miller says he positions his company against Bennigan's, Houlian's, T.G.I. Friday's, and other non-pizza operations, even though 40 percent of Uno's sales come from pizza.

Although its systemwide sales did not make the Top 100, Uno Corp.'s $44.7 million in expected revenues this year made it the 99th-largest restaurant company in the industry.

A Domino's Pizza employee tests acceptance of the American Express card.

CONTRACT FEEDERS

(Continued from page F57)

Custom Management as Joe Byrum succeeded president John Metz. Metz, who founded Custom Management in 1967, has left to pursue his own interests through his newly established John Metz Enterprises.

However, Byrum assumes the top post on a high note, as MCM tacked on 30 new feeding accounts to its 800-plus contract portfolio during the first half of 1989.

While Marriott was seeking to sell its In-Flite operation, Dobbs International, the No. 2 airline caterer, was growing at a rate that exceeded 10 percent.

Since Dobbs was acquired by Greyhound Corp. in 1987, it has shaken off the expansion limitations imposed by former parent Carson, Pirie, Scott & Co., a Chicago retailer.

> *Concession Air has earned a spot on the list of feeders posting double-digit sales increases in a difficult market.*

Dobbs has exceeded its projected sales budget during the past two years; built three flight kitchens in Atlanta; opened a new facility in Fort Meyers, Fla.; and added three major clients, including Virgin Atlantic Airways and SAS.

"We're also looking toward expansion in the Pacific Rim countries," says George Alvord, director of sales and marketing for Dobbs International. "We've also concluded preliminary negotiations to acquire a small catering company."

Dobbs has also pioneered an employee incentive program that rewards the feeder's 7,000 employees with cash for meeting certain goals based on customer service.

Concession Air, a subsidiary of Buffalo, N.Y.-based Delaware North Cos., has also earned a spot on the list of feeders posting double-digit sales increases in a difficult market.

In San Jose, Calif., Concession Air has added kitchen and food-court facilities featuring both licensed and proprietary brands. A multi-unit food court has been constructed in airports in Newark, N.J., and Boston.

Arlington, Texas-based Sky Chefs acquired several flight kitchens from Dobbs International in the Cleveland and Dallas-Fort Worth airports and for the last three years has headed NRN's Top 100 in terms of average sales per unit.

Stadium and arena food service has become a booming contract-feeding market as professional and minor-league teams proliferate and expand their stadium facilities.

Sportservice, another food-service division of Delaware North, boasts 13 professional sports-feeding contracts and has placed bids for planned facilities in Orlando, Fla.; Charlotte, N.C.; and Phoenix, Ariz.

"We're also exploring major-league baseball's spring training market in Arizona and Florida," says Michael Thompson, president of the food-services group for Delaware North. "When the major leagues are finished with their spring schedule, the minor-league teams remain for the duration of the season."

Ogden Corp.'s Leisure Services Division operates six professional basketball arenas, five National Football League stadiums, and two major-league baseball parks.

CONTRACT FEEDER CHAINS RANKED BY NUMBER OF UNITS

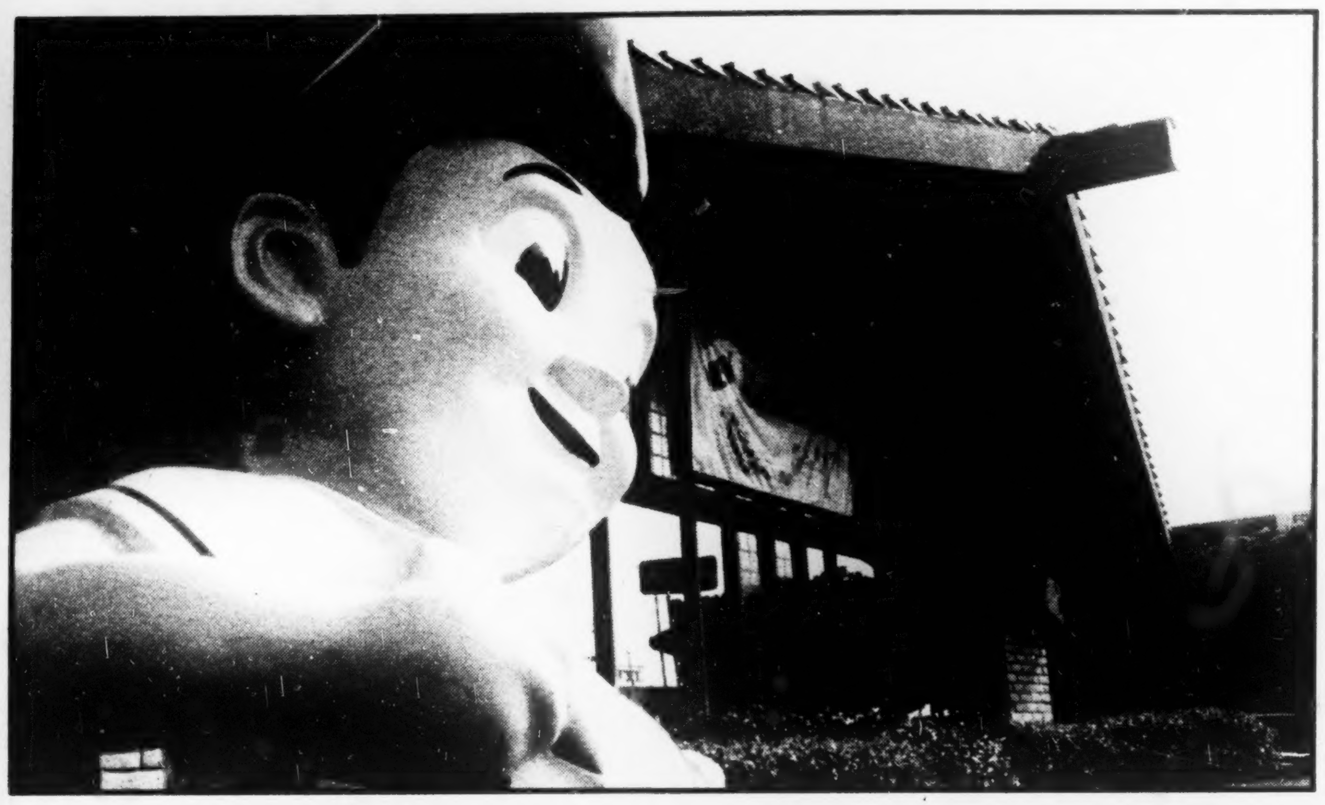
Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	ARA Services (ARA SERV)	Sept.	2,500	2,180	1,850
2	2	Marriott Food Services Management	Dec.	2,005	1,957	1,896
3	3	Canteen	Dec.	1,836	1,800	1,774
4	4	Service America	March	1,700	1,360	1,088
5	5	Morrison Custom Management	May	890	802	680
6	6	Seiler Corp.	Aug.	540	530	400
7	7	Dobbs International/Dobbs Houses	Dec.	408	396	377
8	8	Daka	June	400	355	319
9	9	Marriott In-Flite/Host	Dec.	202	198	194
10	10	Sportservice	Dec.	69	67	61
11	11	Ogden Allied Leisure Services	Dec.	67	63	59
12	12	Concession Air	Dec.	45	45	40
13	13	Harry M. Stevens	Dec.	40	38	38
14	14	Sky Chefs	Dec.	35	35	34
		TOTAL:		10,737	9,826	8,810

Source: NRN Research

CONTRACT FEEDER CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year in thousands) 1989	1988	1987
1	1	Sky Chefs	Dec.	$11,542.0	$10,177.0	$9,810.0
2	2	Marriott In-Flite/Host	Dec.	5,010.0	5,353.0	5,082.0
3	3	Concession Air	Dec.	4,340.0	4,000.0	4,075.0
4	4	Ogden Allied Leisure Services	Dec.	3,880.0	3,825.0	3,559.0
5	5	Sportservice	Dec.	3,030.0	2,880.0	2,850.0
6	6	Dobbs International/ Dobbs Houses	Dec.	1,238.0	1,170.0	1,190.0
7	7	Marriott Food Services Management	Dec.	1,167.0	1,080.0	1,006.0
8	8	Canteen	Dec.	899.2	887.2	831.5
9	9	Service America	March	611.0	760.0	934.0
10	11	Harry M. Stevens	Dec.	577.5	566.0	505.0
11	10	ARA Services (ARA SERV)	Sept.	542.8	578.4	618.9
12	12	Daka	June	525.0	538.0	571.0
13	13	Seiler Corp.	Aug.	442.2	424.0	462.5
14	14	Morrison Custom Management	May	349.0	332.0	245.0
		AVERAGE:		$ 2,439.6	$ 2,326.5	$2,267.1

Source: NRN Research



A Big Boy statue stands guard outside a unit.

FAMILY RESTAURANT CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	Denny's	Dec.	1,300	1,100	1,000
2	2	Big Boy	Dec.	1,030	1,030	960
3	3	Friendly	Dec.	848	840	842
4	4	Shoney's	Oct.	704	636	604
5	5	Waffle House	June	600	600	650
6	6	International House of Pancakes	Dec.	456	436	436
7	7	Perkins	Dec.	370	341	334
8	8	Village Inn	Oct.	249	256	276
9	9	Howard Johnson	April	230	230	255
10	10	Bob Evans Farms	April	222	201	175
11	11	Marie Callender's	Dec.	155	149	135
12	12	Bakers Square	Oct.	155	145	138
		TOTAL:		6,319	5,964	5,805

Source: NRN Research

FAMILY RESTAURANT CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year, in thousands) 1989	1988	1987
1	1	Marie Callender's	Dec.	$1,800.0	$1,610.0	$1,588.0
2	3	Shoney's	Oct.	1,430.0	1,371.0	1,361.0
3	2	Bob Evans Farms	April	1,395.0	1,400.0	1,370.0
4	4	Bakers Square	Oct.	1,380.0	1,294.0	1,225.0
5	5	Perkins	Dec.	1,304.0	1,230.0	1,119.0
6	7	Denny's	Dec.	1,105.0	1,090.0	1,059.0
7	6	Big Boy	Dec.	1,100.0	1,100.0	1,070.0
8	8	Village Inn	Oct.	990.0	917.0	874.0
9	9	Howard Johnson	April	800.0	795.0	750.0
10	11	International House of Pancakes	Dec.	713.0	668.0	639.0
11	10	Friendly	Dec.	700.0	685.0	683.0
12	12	Waffle House	June	366.0	350.0	303.0
		TOTAL:		$1,090.3	$1,042.5	$1,003.4

Source: NRN Research

FAMILY CHAINS

(Continued from page F54)

Smith.

According to one industry sage, a chain's ability to make headway in the midscale segment could hinge on its skills at playing follow-the-leader — if the segment leader itself is playing from a position of strength. "Clearly, the two biggest factors in the marketplace are what happens to Denny's and what Marriott winds up doing with Allie's," asserts Barry Krantz, family-restaurant president for Irvine, Calif.-based Restaurant Enterprises Group, parent of the Coco's and Carrow's chains.

Krantz, the former senior vice president of marketing and concept development for 1,300-unit Denny's, believes his old employer has the potential to awaken consumer interest in the low-priced end of the full-service spectrum if the chain's new owners — or next owners — adequately fund its marketing efforts.

Denny's "could be the power boat that creates a wake big enough for everyone to ride behind," says Krantz, citing the demonstrable ability of a chain's well-mounted food promotions to spur sales of similar menu items at competing outfits.

Might such a phenomenon of marketing cross-pollenation lead to advertising co-ops being formed by rival coffee-shop systems? "I have talked to Denny's about sharing research," the Coco's leader remarked.

Marriott, which divorced itself from the Big Boy franchise system and has been converting its Bob's Big Boy units to the new Allie's concept, may also hold a key to the future of family restaurants. However, analytical competitors say Allie's, whose best-selling menu item is an all-you-want food bar, is so far unprofitable for Marriott because of high advertising expenditures in its initial San Diego conversion market.

Still, well-to-do Marriott conceivably could "buy market share at a loss for the next three to five years" while converting its swelling, nationwide inventory of family-restaurant sites to Allie's, Krantz suggests. Such a maneuver, characteristic of Japanese business but virtually unprecedented in American food service, could evolve from Marriott's self-imposed subsidization of Allie's and eventually lead it to market-share dominance, economies of scale, and price-cutting leverage.

"Marriott, if it chooses to expand Allie's, is going to get a lot of customers [from competing chains]; that's a potential threat," Krantz adds.

"I don't know if [Allie's] will hurt us at all, but that remains to be seen," says Sue Henderson of Denny's, remarking that Marriott's chain, with its food-bar focus, "is targeting a Sizzler-type customer, not a Denny's type."

When not forecasting the long-range competitive dynamics of the midscale marketplace, chains in the segment focus on such immediate concerns as improvements to their images, food quality, and service. "I think service is going to be the key issue of the future," says Vincent Kikugawa, president of the Marie Callender's chain.

Kikugawa intends to make servers' jobs easier and decrease the risk of inconsistent food by "streamlining" a new Marie Callender's menu, due out in October. With about 75 dishes currently available, "we've got too many items," he says. "We're probably going to streamline that down to 45 or 50 that we do extremely well."

GDR/CREST is advising his family-segment clients to "examine every single item on the menu and throw out every one that doesn't stand up to quality claims," Rice says. "Certain family-style restaurants have items on their menus with no right to be there," says Rice, who recently advised a client to jettison and reformulate the majority of its dishes, including an "awful" roast-beef item that management regarded as an obligatory offering.

Rice recommends smaller portion sizes of higher quality with "greater taste sensation" as the route to customer satisfaction and repeat business.

"The battle of the 1990s will be based 20 percent on who can refine their concept the best and 80 percent on who can execute the best," avers Coco's president Krantz, echoing Kikugawa's emphasis on service.

"We have to make it easier rather than harder to give good service," says Krantz. His chain, for its part, has conducted focus groups with its servers, managers, and customers to flush out a list of hidden "barriers" to good service inadvertently posed by corporate operating policies.

"How long it takes to get your meal is not among the top five [complaints] on the list," says Krantz, who notes that improving servers' basic attitude toward doing their jobs is a crucial aspect of service improvement.

At IHOP Corp., parent of the International House of Pancakes chain, restaurant remodeling has become an area of particular emphasis, reports chairman Richard Herzer. But pleasing restaurant customers with a spiffier ambience may be less important than creating an environment that will inspire servers to do their jobs better. "It's all in the unit level, period," Herzer says. "Too many people in the business today think it's the grand corporate scheme that will make the difference," he remarks. "But our retail sales improve as we improve our execution at the unit level."

A Bob Evans unit.

HOTEL CHAINS FIGHTING BACK

(Continued from page F59)

of food and wine combinations."

Speaking of Westin's previous attitude to such promotions, Fischer explains, "We were flexible in the past, suggesting that certain promotions should take place, but we never took the approach that all hotels had to take part."

But Westin and the other new converts are beginning to see the benefits of large-scale participation in promotions, which often prompt suppliers or producers to throw in the assistance and marketing clout of outside specialists, such as chef Ash. Also a benefit is the lower per-property costs for producing promotional materials, such as posters, table tents, special menus, and uniforms.

If individual Radisson properties tried to create the quality and quantity of promotional materials used for national promotions on their own, they would spend $2,500 to $5,000 each, Don Clawson, the chain's vice president of food and beverage, estimates.

"If I do it, it costs only $200 to $250 per property," Clawson says.

Clawson explains that Radisson, which has been doing national food and beverage promotions regularly since about 1985, doesn't see much in the way of traffic gains when it runs such a promotion. However, he adds, the strategy does generally result in higher average tickets because of increased consumer interest and lower food costs because of higher markups.

"So if I am gaining top line and bottom line, . . . the return on investment vs. the cost of the promotion is very healthy," Clawson says, beaming.

Despite the beneficial nature of national promotions, Clawson notes Radisson will be cutting back on the number of such events it stages annually.

"We've been doing them so aggressively that there is a bit of burnout among the people at some of the properties," he acknowledges.

On a more positive note, Clawson reports that the recent "realignment" of Radisson's room-service pizza program has resulted in a "phenomenal" incremental sales increase of 33 percent.

The realignment has taken place at about half of the chain's 110 domestic hotels during the past five months and entails repackaging the room-service pizza program to look as if a freestanding pizza chain supplied them.

Hilton Hotels, which is sticking by its practice of calling a spade a spade or, in this case, a room-service pizza a room-service pizza, is continuing its intense focus on "basics," Peter Kleiser, senior vice president of food and beverage, says.

"We have instituted a corporatewide recipe program to ensure consistency and quality," Kleiser explains, adding, "We have placed a [renewed] emphasis on training . . . and introduced 14 new training videos."

Hilton's back-to-basics campaign stems from the distractions felt by all food-service operators in recent years, Kleiser asserts.

"One trend and fad was chasing the other," he says. "We went through an era of fads. Tasty foods and good service is our priority."

A similar campaign two years ago aimed at the room-service side of Hilton's food and beverage program netted "increased covers," Kleiser notes. Winning that new business, he says, required taking such steps as providing newspapers and flowers on the trays, using only fresh-brewed coffee and fresh-squeezed orange juice, and buying new equipment to better prepare and hold foods.

Holiday Inn, which franchises about 1,250 hotels and operates 120 corporate-owned properties domestically, is also in the midst of a back-to-basics kick. The campaign is being overseen by the Memphis, Tenn.-based chain's new vice president of food and beverage, Bruce McGlinchey, who formerly worked for General Mills' restaurant division and was at one time executive vice president of the Po' Folks country-style restaurant chain.

McGlinchey says that while consumer research shows that guests are "happy with the food" at Holiday Inns, the chain nevertheless feels it needs to set new standards for food quality and preparation, speed of service, productivity, and scheduling.

The restaurant and room service menus at the corporate-owned hotels will be checked on a site-by-site basis and adjusted to make sure "we have the things that guests want . . .from a 'Middle American' all-day family restaurant," McGlinchey says.

What's more, "we have a new thing we are going to do — we are going to make some money," he says of his ambitions to fatten the margins at company-owned hotels by increasing value and traffic.

Some Sheraton properties and Hyatt, as a chain, have increased their marketing aimed at children, who, some marketing mavens believe, greatly influence parents' selection of lodging brands and dining spots.

Hyatt recently began a "Camp Hyatt" program of summer-camp-like activities and implemented a corporate policy of letting children less than 12 order half-portions, for half price, of any item on any menu.

The Seattle Sheraton catches the attention of youngsters and their parents by conducting children's cooking classes, complete with back-of-the-house tours and special luncheons, company officials say.

HOTEL CHAINS RANKED BY NUMBER OF UNITS

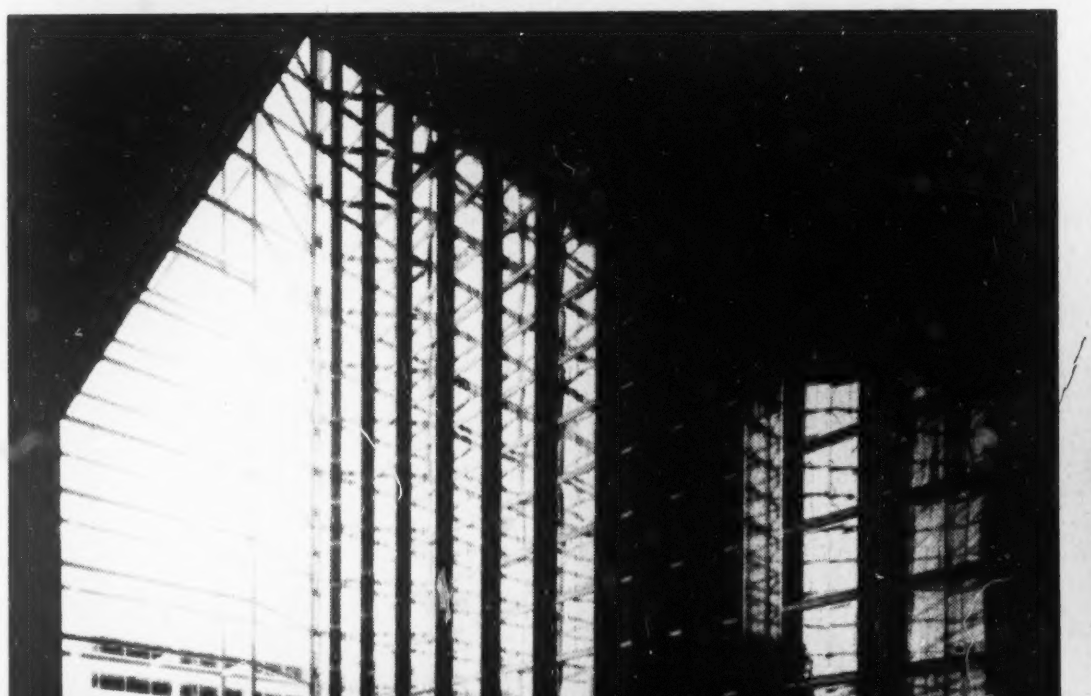
Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	Holiday Inn	Dec.	1,479	1,526	1,486
2	3	Marriott Hotels & Resorts	Dec.	528	437	349
3	2	Ramada Inn	Dec.	507	501	494
4	4	Sheraton Hotels	Dec.	356	339	353
5	5	Hilton Hotels	Dec.	278	272	274
6	6	Radisson Hotels	Dec.	156	122	91
7	7	Hyatt Hotels	Jan.	93	86	74
8	8	Westin Hotels & Resorts	Dec.	36	34	31
		TOTAL:		3,433	3,317	3,152

Source: NRN Research

HOTEL CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year in thousands) 1989	1988	1987
1	1	Westin Hotels & Resorts	Dec.	$8,400.0	$8,400.0	$8,760.0
2	2	Hyatt Hotels	Jan.	3,350.0	3,280.0	3,510.0
3	3	Hilton Hotels	Dec.	3,100.0	3,080.0	3,040.0
4	4	Sheraton Hotels	Dec.	2,990.0	2,960.0	2,890.0
5	5	Marriott Hotels & Resorts	Dec.	2,170.0	2,340.0	2,550.0
6	6	Radisson Hotels	Dec.	1,700.0	1,770.0	1,860.0
7	7	Ramada Inn	Dec.	650.2	627.5	613.9
8	8	Holiday Inn	Dec.	452.5	449.7	477.2
		AVERAGE:		$2,851.6	$2,863.4	$2,982.6

Source: NRN Research



A view of the Atrium Cafe in the Radisson Plaza Hotel At Austin Centre, which is located in Austin, Texas.

Hotel patrons enjoy some champagne in the Stouffer Concourse Hotel's Lobby Court Bar, which features live piano entertainment, located at Los Angeles International Airport.

CAFETERIA CHAINS

(Continued from page F46)

us, and that's who we'll dance with."

Morrison's: eyeing the airwaves

In a departure from standard operating procedure, Morrison Inc. plans to step up its marketing-research and advertising budgets for its family dining units, says Richard McGeoch, senior vice president for corporate planning and investor relations for the company.

"Cafeterias by nature are not heavy advertisers," he explains. "Generally they just don't have enough locations in any area to justify a TV budget."

But, McGeoch says, Morrison has targeted several TV markets and is looking into radio and newspaper in others.

"It's the best way to reach a younger market," he notes. "We want the 30-to45-year-olds who dine out the most frequently." He says the average heavy user of a Morrison's was "a little older than that."

The company has hired a new agency, Eric Erickson out of Nashville, Tenn., to coordinate its efforts.

"We're not like a fast-food chain," he says. "We don't have to live off advertising; we can build extra customers. If we could add 2 or 3 percent to each unit, it would flow directly to the bottom line."

The 169-unit family dining division reported systemwide sales of $320 million in fiscal 1989 (which ended May 31, 1989), roughly 42 percent of the total sales for Morrison Inc., which also operates 80 Ruby Tuesday dinner houses, 20 L & N Seafood Grills, six Silver Spoon Cafes, and nearly 900 contract feeding accounts.

The family dining division opened seven cafeterias during the year and closed one. It has plans to add a minimum of six more during this year, McGeoch says.

McGeoch says that expansion in fiscal 1990 would be mostly in markets where Morrison already has a presence, but that the company hopes to go north someday.

"We'll figure a way," he explains, "one way or the other. There is such a mass of people of the Eastern Seaboard, even if we had to charge a little higher prices, it would still be a great price value.

"But people in the North are not familiar with a cafeteria concept. Southerners are a more patient people, and standing in line is not a major issue like it is in the North.

"Still," he says, "there is no quicker, less expensive way to serve quality food than a cafeteria."

McGeoch notes Morrison raised prices twice during fiscal 1989, increasing them 2 percent in September 1988 and again in April 1989.

Not to be left out, Mobile, Ala.-based Morrison has also jumped on the cafeteria take-out bandwagon, adding separate entrances for take-out in some units as well as operating a free-standing, takeout-only store in Atlanta.

"Our units with take-out have a much greater volume than those without," McGeoch says. "An average unit with take-out will have a volume $350,000 higher than one without. And most of that is incremental sales; all we add are servers and a line runner."

McGeoch says the company hopes to build two to four freestanding take-out units during fiscal 1990 but plans to add some indoor seating to the design. Each take-out unit features five entrées, five vegetables, five salads, breads, and desserts on a rotating basis.

Piccadilly: doubling up

Executives at Piccadilly Cafeterias Inc. spent fiscal 1989 bringing on cafeterias with two serving lines rather than one. Seven of Piccadilly's 10 new units this year were of the double-line variety.

"The double line allows us to feed twice as many people in the same amount of time," says James Malmberg, president of the Baton Rouge, La.-based company.

Malmberg notes the company got away from the double-line design about two years ago but is placing it in most new units.

The chain, which has plans to open 10 cafeterias in fiscal 1990 after opening 10 in fiscal 1989, is expanding into markets where the cafeteria already has a presence. Five of the 10 are scheduled for Florida, Malmberg says, and the company continues to look at California for future expansion.

"We have plans to open a unit in Bakersfield in 1991," he says, "but we're continuing to look for additional locations. We could easily go to Los Angeles or Sacramento."

While sales and profits were up at Piccadilly this year, Malmberg customer counts remained relatively flat. Prices at the 138-unit chain were raised a couple of times, most recently by 4 percent.

When asked about the cafeteria segment's latest push into take-out, Malmberg says the chain has some new ideas on the drawing board.

CAFETERIA CHAINS RANKED BY SALES PER UNIT

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Sales Per Unit (by fiscal year in thousands) 1989	1988	1987
1	1	Luby's Cafeteria	Aug.	$2,395.0	$2,345.0	$2,384.0
2	2	Piccadilly Cafeterias	June	1,985.0	1,949.0	1,933.0
3	3	Morrison's Family Dining	May	1,900.0	1,870.0	1,820.0
4	4	Furr's/Bishop's Cafeterias	Dec.	1,800.0	1,764.7	1,695.3
5	5	Wyatt Cafeterias	Dec.	1,500.0	1,500.0	1,500.0
		AVERAGE:		$1,916.0	$1,885.7	$1,866.5

Source: NRN Research

CAFETERIA CHAINS RANKED BY NUMBER OF UNITS

Rank 1989	Rank 1988	Chain	Fiscal Year Ends	Number of Units 1989	1988	1987
1	1	Morrison's Family Dining	May	170	163	156
2	2	Furr's/Bishop's Cafeterias	Dec.	160	157	154
3	3	Piccadilly Cafeterias	June	138	123	116
4	5	Luby's Cafeteria	Aug.	124	113	103
5	4	Wyatt Cafeterias	Dec.	121	120	119
		TOTAL:		713	676	648

Source: NRN Research

"We've always had a very large take-out business," he says, adding that there were possible changes in the works for new units. "Whether you can generate incremental business over what you already have is the fundadmental question."

Malmberg says Piccadilly hopes to open its first Ralph & Kacoo's sometime next spring, after taking a year to assimilate the six-unit, high-volume Cajun seafood chain into its system.

"We want to work up to where we can operate the same number of restaurants as we do cafeterias," he says. "In the meantime we have to build a personnel base and evaluate manager training systems."

Wyatt: life after ESOP

"We were sold to an ESOP," says George DeShazo, executive vice president of operations for 121-unit Wyatt Cafeterias Inc. "That's the most exciting thing that's happened to us this year."

The employee stock ownership plan was approved by Wyatt shareholders last fall after directors of Wyatt, which has annual sales of about $180 million, proposed selling the privately held Dallas-based company to employees for about $84 a share. A takeover battle ensued as Lubbock investor Michael Levenson, who controls Furr's/Bishop's Cafeterias, made several separate bids, eventually offering $91 a share. Shareholders preferred the ESOP.

In Wyatt's leveraged ESOP plan, the company set up a trust for the employees and then lent it the money to purchase all of the company's stock. Through operating profits, the company makes contributions to the ESOP. The ESOP, in turn, uses the contribution to repay the loans incurred. As the loans are repaid, the stock that was held as collateral is released and allocated to employee accounts.

Customers wait on line for food at a Wyatt Cafeteria.

"We've been doing everything we can do to communicate to the employees and the customers the advantages of this," DeShazo says. "It takes more time to do that than we thought."

Expansion at Wyatt's has slowed because of the diverted energies, DeShazo says, but the company will soon open its first new unit of the year near Mesquite, Texas. He notes that the real-estate department has been active and the company hopes to open four or more new cafeterias in the year to come.

"We're expanding in our present markets, and we're looking at areas outside Los Angeles," he says, pointing to the success of units in Bakersfield and San Bernadino, Calif. "You don't have the competition out there you do in Texas."

DeShazo says expanding in the Lone Star State was treacherous, citing a survey that showed Texas having three times as many cafeterias as the second-ranked state, Florida, has.

"You tend to cannibalize yourself," he says. "There was a time we felt cafeterias couldn't be 5 miles apart, then we narrowed it to 3. Today in Dallas, there are two Wyatt's and a Luby's within a mile of each other."

DeShazo says the company raised menu prices 3 percent on May 1, the first time in four years that a price change had arisen out of food costs.

"Before it was primarily because of fixed costs, things like insurance, taxes, utilities, and mall maintenance fees," he notes. "Food had been the best bargain in the country except for the past few months."

And as with the other cafeteria chains, DeShazo says Wyatt will concentrate heavily on take-out in the upcoming months. The company currently operates one store in Fort Worth and two in Dallas with take-out counters with separate entrances.

"We're converting as many as we can," he says.

DeShazo notes the company also has plans to open a drive-thru unit during the next year.

"You got to do what the competition is making you do," he adds. "And with convenience stores getting into food service so much, you've got to make it fast.

"The key to anybody's success is whether you can change with the trends."

TOP 100

(Continued from page 1)

ed to inch upward this year by less than 1 percent. "Most of our sales increases have come from new units."

Yet seven chains among the Top 100 are forgoing growth during their current fiscal year presumably to focus on bolstering traffic at existing units. Eleven others are retrenching in the face of fierce competition.

Nevertheless, the Top 100 chains will collectively grow by a net of 6,123 units, for a 5.8-percent increase over the 1988 tally. The current-year figure does not include expansion overseas, where many of the chain behemoths are opening restaurants at a head-turning clip.

"We're going to continue to see the 80/20 rule: 20 percent of the chains will account for 80 percent of the growth," comments Technomic's Paul.

The Top 100 report verifies that the food-service business is rapidly consolidating. In 1987 the 100 highest-grossing chains generated aggregate systemwide sales of $69.4 billion, or 33.3 percent of what Technomic recorded as total U.S. food-service sales. NRN's elite group increased its share to 34.3 percent last year and is projected to account for approximately 36 percent in 1989.

To be sure, not every member of the exclusive Top 100 chains has faltered in '89. "It's very tough out there," says Paul, "but there are some bright spots."

For instance, dinner houses, a group that stumbled in the mid-1980s, seem to have hit their stride. The 11 chains scoring in the Top 100 are collectively boosting their systemwide sales by 11.3 percent this year, compared with 1988's increase of 7.7 percent.

Systemwide sales growth is also accelerating for top family restaurant chains (6.9 percent this year, compared with less than 1 percent in '88), hotel chains (6.5 percent vs. 4.5 percent), cafeteria chains (9.9 percent vs. 5.5 percent), and hamburger chains (7.9 percent vs. 6.8 percent).

And, notes Paul, "we've not seen the last of new fast-growing concepts."

Such is the case with Olive Garden, General Mills' upstart Italian dinner-house operation. The chain ranked 64th on the Top 100 systemwide sales ranking, for a quantum leap from its 99th-place finish in '88. The ethnic chain tops the list of the fastest-growing systems, with an expansion rate clocked at 56.5 percent.

Other rapid gainers on the systemwide-sales list include TCBY, with a leap of 22 places, to No. 63, and El Pollo Loco, which jumped 13 rungs, to No. 85. Chili's hoisted its position by 10 notches, to No. 55.

In addition to ranking chains by systemwide sales, NRN's Top 100 rates companies on the basis of food-service revenues. The chain figures reflect the performance of every domestic restaurant within the systems cited. In contrast, the revenue charts list the intakes of franchisors, franchisees, and other individual corporate entities.

It's not surprising that the data show that revenue growth is also slowing. The nation's 100 leading food-service operators are projected to collectively garner $52.8 billion during their respective 1989 fiscal years, for a year-over-year gain of 9.5 percent. That increase marks a slowdown from '88, when the tally of $48.2 billion outstripped the prior year's figure by 12.6 percent.

What's more, 10 of the Top 100 companies are projected to post revenue declines for their 1989 fiscal year. Among the losers are Rax, a Midwestern burger chain struggling to plot a turnaround under new president Ira Hermann; Collins Foods, a major Kentucky Fried Chicken franchisee that has long been a Wall Street darling; Metromedia, the parent company of Ponderosa; and S & A Restaurant Corp., the dinner-house operator that was recently acquired by its management.

10 BIGGEST DECLINES IN PER-UNIT SALES

(Ranked by % of change in unit sales)

Rank	Chains	Fiscal Year Ends	% chg., '89 vs. '88
1	Service America	March	–19.61%
2	Marriott Travel Plazas	Dec.	–13.29
3	Popeye's	Oct.	–13.10
4	Rax	July	–10.01
5	Church's	Dec.	– 7.33
6	Marriott Hotels & Resorts	Dec.	– 7.26
7	Marriott In – Flite/Host	Dec.	– 6.41
8	ARA Services (ARASERVE)	Sept.	– 6.54
9	Bennigan's	May	– 4.55
10	Radisson Hotels	Dec.	– 3.95

Source: NRN Research

A Chili's unit in Dallas.

Rax
RESTAURANTS

A Rax Restaurants unit.

The Olive Garden
ITALIAN RESTAURANT
The Olive Garden
ITALIAN RESTAURANT

An Olive Garden Italian dinner-house unit.

PONDEROSA
STEAKHOUSE

A Ponderosa Steakhouse unit.

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